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As filed with the Securities and Exchange Commission on July 10, 2007.

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM F-1

REGISTRATION STATEMENT
Under
The Securities Act of 1933

AERCAP HOLDINGS N.V.

(Exact name of Registrant as specified in its charter)

Netherlands	**7359**	**Not Applicable**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

Evert van de Beekstraat 312
1118 CX Schiphol Airport
The Netherlands
+31 20 655 9655
(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

CT Corporation System, 111 Eighth Avenue, 13th Floor, New York, NY 10011, (212) 894 8641
(Name, address, including zip code, and telephone number, including area code, of agent for service of process)

	Copies to:	
Douglas A. Tanner, Esq. Milbank, Tweed, Hadley & McCloy LLP 1 Chase Manhattan Plaza New York, NY 10005 Tel: (212) 530 5000 Fax: (212) 822 5219	Erwin den Dikken Chief Legal Officer Evert van de Beekstraat 312 1118 CX Schiphol Airport The Netherlands Tel: +31 20 655 9655 Fax: +31 20 655 9100	Richard J. Sandler, Esq. Davis Polk & Wardwell 450 Lexington Ave. New York, NY 10017 Tel: (212) 450 4224 Fax: (212) 450 3224

Approximate date of commencement of proposed sale to the public. As soon as practicable after the Registration Statement becomes effective.

If any of the securities being registered on this Form are being offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	**Amount to be Registered(1)**	**Proposed Maximum Offering Price Per Share**	**Proposed Maximum Aggregate Offering Price(1)(2)**	**Amount of Registration Fee(3)**

Ordinary Shares, €0.01 par value per share	23,000,000	$32.20	$740,600,000	$22,736.42

(1) Includes 3,000,000 ordinary shares that may be sold upon exercise of an overallotment option to be granted to the underwriters.
(2) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(a) under the Securities Act of 1933 based the average of the high and low sales prices of the Registrant's ordinary shares as reported by The New York Stock Exchange on July 9, 2007.
(3) Calculated in accordance with Rule 457(a) under the Securities Act of 1933.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission acting pursuant to said Section 8(a) may determine.

PROSPECTUS (Subject to Completion)
Issued , 2007

20,000,000 Shares

AerCap Holdings N.V.

ORDINARY SHARES

The selling shareholders are offering 20,000,000 ordinary shares of AerCap Holdings N.V. We will not receive any proceeds from the sale of ordinary shares by the selling shareholders. Members of our senior management and our Board of Directors, as indirect shareholders, will receive a portion of the proceeds from this offering.

Our ordinary shares are listed on the New York Stock Exchange under the symbol "AER". The last reported sale price of our ordinary shares on the New York Stock Exchange on , 2007 was $ per share.

Investing in our ordinary shares involves risks. See "Risk Factors" beginning on page 15 of this prospectus.

Price $ Per Share

	Price to Public	Underwriting Discounts and Commissions	Proceeds to Selling Shareholders
Per Ordinary Share	$	$	$
Total	$	$	$

The selling shareholders have granted the underwriters the right for a period of 30 days to purchase up to an additional 3,000,000 ordinary shares to cover overallotments, if any.

The Securities and Exchange Commission and state securities regulators have not approved or disapproved these securities, or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the ordinary shares to purchasers on , 2007.

Morgan Stanley

Goldman, Sachs & Co.

Lehman Brothers

Merrill Lynch & Co.

UBS Investment Bank **Wachovia Securities**

JPMorgan

Citi

Calyon Securities (USA) Inc.

, 2007

A Global Aviation Company

AERCAP
Aviation Solutions

Selected Customers

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ABOUT THIS PROSPECTUS

You should only rely on the information contained in this prospectus and any free writing prospectus prepared by or on behalf of us. This prospectus may only be used where it is legal to offer or sell these securities. The information in this prospectus is accurate only as of the date of this prospectus, regardless of when this prospectus is delivered or when any offer or sale of our ordinary shares occurs.

Neither we nor the selling shareholders have taken any action to permit a public offering of the ordinary shares outside the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about and observe any restrictions relating to the offering of the ordinary shares and the distribution of this prospectus outside of the United States.

PROSPECTUS SUMMARY

The following summary is qualified in its entirety by the more detailed information and consolidated financial statements and related notes appearing in this prospectus. This summary may not contain all of the information that may be important to you. Before investing in our ordinary shares, you should read this entire prospectus carefully for a more complete understanding of our business and this offering, including our consolidated financial statements and related notes and the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations". In this prospectus, the "Company", "we", "us" and "our" refer to AerCap Holdings N.V., its consolidated subsidiaries, its predecessors, AerCap Holdings C.V. and AerCap B.V. (formerly known as debis AirFinance B.V.) and their consolidated subsidiaries and, unless the context otherwise requires, AeroTurbine, Inc.

Our Company

We are an integrated global aviation company with a leading market position in aircraft and engine leasing, trading and parts sales. We possess extensive aviation expertise that permits us to extract value from every stage of an aircraft's lifecycle across a broad range of aircraft and engine types. We also provide aircraft management services and perform aircraft and engine maintenance, repair and overhaul, or MRO, services and aircraft disassemblies through our certified repair stations. We believe that by applying our expertise through an integrated business model, we will be able to identify and execute on a broad range of market opportunities that we expect will generate attractive returns for our shareholders.

We operate our business on a global basis, providing aircraft, engines and parts to customers in every major geographical region. As of March 31, 2007, we owned 140 aircraft and 65 engines, managed 98 aircraft, had 95 new aircraft and three new engines on order, had entered into purchase contracts for two new aircraft and had executed letters of intent to purchase an additional six aircraft. In addition, on May 11, 2007, we signed an agreement with Airbus for the purchase of an additional ten A330-200 aircraft, bringing our total firm order of A330-200 aircraft to 30 and the total number of new aircraft on order to 105. As of March 2007, we had the fourth largest aircraft leasing portfolio in the world and the third largest new aircraft order book among operating lessors, according to Simat Helliesen & Eichner, Inc., or SH&E, in each case by number of aircraft.

We lease most of our aircraft to airlines under operating leases. Under an operating lease, the lessee is responsible for the maintenance and servicing of the equipment during the lease term and the lessor receives the benefit, and assumes the risk, of the residual value of the equipment at the end of the lease. As of March 31, 2007, our owned and managed aircraft and engines were leased to 105 commercial airline and cargo operator customers in 46 countries and are managed from our offices in The Netherlands, Ireland and the United States. We expect to expand our leasing activity in Asia and in China in particular through our AerDragon joint venture with China Aviation Supplies Import & Export Group Corporation, which commenced operations in October 2006.

We have the infrastructure, expertise and resources to execute a large number of diverse aircraft and engine transactions in a variety of market conditions. Our teams of dedicated marketing and asset trading professionals have been successful in leasing and trading our aircraft and engine portfolios. From January 1, 2003 to March 31, 2007, we executed over 1,100 aircraft and engine transactions, including 283 aircraft leases, 275 engine leases, 158 aircraft purchase or sale transactions, 204 engine purchase or sale transactions and the disassembly of 54 aircraft and 139 engines. Between January 1, 2003 and March 31, 2007, our weighted average owned aircraft utilization rate was 98.6%.

In 2006, we generated total revenues of $814.4 million and net income of $109.0 million, which included charges for share-based compensation of $68.3 million, net of taxes, resulting in basic and fully-diluted earnings per share of $1.38. In the three months ended March 31, 2007, we generated total

revenues of $309.5 million and net income of $60.6 million, resulting in basic and fully-diluted earnings per share of $0.71.

On September 8, 2006, the Financial Accounting Standards Board issued FSP No. AUG AIR-1 "*Accounting for Planned Major Maintenance Activities*" (the "FSP"). The FSP amends certain provisions in the AICPA Industry Audit Guide, "Audit of Airlines," and is applicable for our financial year beginning January 1, 2007. As a result of our adoption of the FSP, we have adjusted our method of accounting for certain maintenance obligations and adjusted our historical results as more fully explained in our audited financial statements included in this prospectus.

Our Business Strategy

We intend to pursue the following business strategies. See "Business—Our Business Strategy" beginning on page 114 of this prospectus for a more detailed discussion of our business strategies.

Leverage Our Ability to Manage Aircraft and Engines Profitably throughout their Lifecycle. We intend to continue to leverage our integrated business model by selectively:

- purchasing aircraft and engines directly from manufacturers;
- taking advantage of price incentives offered by sellers for the purchase of entire portfolios of aircraft and engines of varying ages and types;
- using our global customer relationships to obtain favorable lease terms and reduce time off-lease;
- selling select aircraft and engines;
- disassembling older airframes and engines for sale of their component parts; and
- providing management services to securitization vehicles, our joint ventures and other aircraft owners at limited incremental cost to us.

Our ability to profitably manage aircraft throughout their lifecycle depends in part on our ability to successfully lease aircraft and engines at profitable rates and our ability to source acquisition opportunities of new and used aircraft at favorable prices.

Expand Our Aircraft and Engine Portfolio. We intend to grow our portfolio of aircraft and engines through portfolio purchases, new aircraft purchases, airline refleetings, and other opportunistic aircraft and engine purchases.

Focus on High Growth Markets. Although we maintain a geographically diverse portfolio, we focus on high growth airline markets such as the Asia-Pacific market.

Enter into Joint Ventures to Obtain Economies of Scale. We intend to continue to enter into joint ventures that increase our purchasing power and our ability to obtain price discounts on large aircraft orders.

Obtain Maintenance Cost Savings. We intend to lower our aircraft and engine maintenance costs by using aircraft and engine parts we obtain from the selective disassembly of acquired airframes and engines.

Acquire Complementary Businesses. We intend to selectively pursue acquisitions that we believe will enhance our ability to manage aircraft and engines profitably throughout their lifecycle.

Our Competitive Strengths

We believe the following competitive strengths will allow us to capitalize on growth opportunities in the global commercial aviation market. See "Business—Our Competitive Strengths" beginning on page 112 of this prospectus for a more detailed discussion of our competitive strengths.

- Our integrated business model allows us to manage aircraft and engines profitably throughout their lifecycle, from initial purchase through leasing, sale or eventual disassembly for the sale of parts.
- We have a modern and fuel-efficient aircraft and engine portfolio, focused on the widely-used Airbus A320 family aircraft and CFM56 family engines.
- Our global remarketing capability and diversified customer base enables us to maintain a high utilization rate for our assets and reduce our exposure to customer concentration and fluctuations in regional economic conditions.
- We have an active aircraft and engine trading business, led by our asset trading team of 19 dedicated professionals as of March 31, 2007.
- Our substantial size and breadth of operations allow us to diversify our customer base and offer our customers a broad range of flexible aircraft and engine leasing options.
- We have $1.2 billion of revolving credit facilities that provide us with efficient access to capital, and we have raised over $19 billion globally since 1996.
- We have an attractive aircraft management business and managed 98 aircraft as of March 31, 2007.
- Our management team has an average of 17 years of experience in the aviation industry and extensive expertise in aircraft and engine leasing, trading, financing and risk management.

Risks

An investment in our ordinary shares involves a high degree of risk. You should carefully consider the risks described in "Risk Factors" before making an investment decision. Our business, financial condition and results of operations could be materially and adversely affected by any of those risks. The trading price of our ordinary shares could decline due to any of those risks or other factors, and you may lose all or part of your investment. Below is a summary of the principal risks we face.

- Our business model depends on the continual re-leasing of our aircraft and engines when current leases expire, and we may not be able to do so on favorable terms, if at all.
- Interest rates have a significant impact on our financial results, and changes in interest rates may adversely affect our financial results and growth prospects.
- The leasing, financing and sales of aircraft, engines and parts has historically experienced prolonged periods of oversupply during which lease rates and aircraft values have declined, and any future oversupply could materially and adversely affect our financial results and growth prospects.
- Our financial condition is dependent, in part, on the financial strength of our lessees; lessee defaults and other credit problems could adversely affect our financial results and growth prospects.
- The concentration of some aircraft and engine models in our aircraft and engine portfolios could adversely affect our business and financial results should any problems specific to these particular models occur.

- We are indirectly subject to many of the economic and political risks associated with emerging markets, which could adversely affect our financial results and growth prospects.

- Our substantial indebtedness incurred to acquire our aircraft and engines requires significant debt service payments. As of March 31, 2007, our consolidated indebtedness was $2.7 billion and our interest expense (including the impact of hedging activities) was $166.2 million in 2006 and $50.5 million in the three months ended March 31, 2007. As of May 31, 2007, we had 74 new Airbus A320 family aircraft and 30 new A330-200 widebody aircraft on order from Airbus. If we acquire all 104 of the Airbus aircraft, over the next five years, we would expect to incur in excess of $4.5 billion of indebtedness to finance the purchase price of the aircraft.

- If the effects of terrorist attacks and geopolitical conditions adversely affect the financial condition of airlines, our lessees might not be able to meet their lease payment obligations, which would adversely affect our financial results and growth prospects.

- Volatility in our sales revenue due to the fact that during any particular fiscal quarter or other reporting period we may complete significantly more or fewer sale transactions than in other reporting periods, which could adversely impact the trading price of our ordinary shares.

- If the ownership of our ordinary shares continues to be concentrated, it may prevent you and other minority shareholders from influencing significant corporate decisions and may result in conflicts of interest. After giving effect to this offering, assuming that the underwriters' overallotment option is not exercised, companies controlled by funds and accounts affiliated with Cerberus Capital Management, L.P., or Cerberus, will own 45.8% of our ordinary shares.

Industry Trends

We believe that trends in the aviation industry identified by SH&E, a recognized expert in the aviation industry, and described in "Aircraft, Engine and Aviation Parts Industry" create a favorable environment for us to leverage our competitive strengths and grow our business. We believe that our operating capabilities and aircraft and engine portfolios will provide us with a competitive advantage in the expanding aviation market. The trends identified by SH&E include:

Growing Demand for Air Travel. Globalization and the rapid economic growth in major emerging markets such as India and China have fueled significant growth in global demand for air travel. The Airline Monitor, a commercial aviation data analysis publication, forecasts that passenger traffic will grow at an average rate of 5.2% per year for the next 10 years. The Airbus 2006 Global Market Forecast predicts that air travel demand will continue to grow an average of 4.8% per year through 2025 and the Boeing 2006 Commercial Market Outlook projects 4.9% annual growth in air travel for the next 20 years. According to SH&E, air cargo demand globally is expected to grow even faster than passenger demand. For the next 20 years Airbus and Boeing forecast air cargo demand growth of 6.0% and 6.1% annually, respectively.

Fundamental Imbalance between Supply and Demand for Aircraft, Engines and Aircraft Equipment. In recent years, the increased demand for aircraft, engines and parts, combined with a decreased supply, has resulted in a supply and demand imbalance for certain aircraft, engines and parts. The primary factors affecting aircraft demand include rapid airline passenger growth in emerging markets, increased liberalization of air travel, higher fuel prices, continued emergence of low cost carriers and industry restructuring in developed markets which have increased replacement demand for more fuel efficient and technologically advanced aircraft. The primary factors affecting aircraft supply include the aging world aircraft fleet, the significant backlog of aircraft production, the limited ability of airframe manufacturers to increase production and the relative shortage of efficient used aircraft in the secondary market.

Greater Reliance on Operating Leases. In recent years, airlines have increasingly turned to operating leases to meet their aircraft financing needs. Operating leases permit airlines to reduce their capital commitments, improve their balance sheets, increase fleet planning flexibility and reduce residual value risk. According to SH&E, approximately 30% of the global aircraft fleet was operated under operating leases in 2006 and SH&E forecasts that 40% of the global aircraft fleet will be operated under operating leases within the next ten years.

Despite these positive recent trends, the business of leasing, financing and sales of aircraft, engine and parts has, in the past, experienced periods of aircraft and engine oversupply. The oversupply of a specific type of aircraft or engine is likely to depress the lease rates for, and the value of, that type of aircraft or engine. The supply and demand for aircraft and engines is affected by various cyclical and non-cyclical factors that are outside of our control.

Recent Developments

On May 8, 2007, Aircraft Lease Securitisation, a lease securitization special purpose entity that we consolidate in our financial statements, completed a refinancing of its securitized notes with the issuance of $1.66 billion of AAA-rated class G-3 floating rate notes. The proceeds from the issuance of these notes were used to redeem all of the outstanding Aircraft Lease Securitisation debt, other than the most junior class of notes, to refinance the indebtedness that had been incurred to purchase 24 previously acquired aircraft, and to finance the purchase of four additional new aircraft, increasing Aircraft Lease Securitisation's aircraft portfolio size to 70 aircraft. The class G-3 notes bear an interest rate of one-month LIBOR plus 26 basis points. Concurrently with the Aircraft Lease Securitisation refinancing, our revolving credit facility was amended and restated, resulting in a reduced interest rate spread and a two-year extension of the revolving period to May 2010. The size of our revolving credit facility remains $1.0 billion. As a result of the Aircraft Lease Securitisation refinancing and the amendment to our revolving credit facility, we expect to report a non-recurring expense in the second quarter of 2007 of approximately $27 million for the write-off of unamortized debt issuance costs related to the refinanced debt, costs related to the prepayment of the prior Aircraft Lease Securitisation notes and other related fees.

During the three months ended June 30, 2007, in addition to sales of parts inventory and one aircraft by our subsidiary, AeroTurbine, we sold one Airbus A321 aircraft and one Boeing 737-400 aircraft, both of which were previously classified as flight equipment held for operating leases. Sales revenue resulting from the sale of these two aircraft totaled $57.4 million. The cost of goods sold related to the sale of these two aircraft totaled $37.8 million. During the three months ended June 30, 2007, we took delivery of one Airbus A320-200 aircraft, one A319-100 aircraft and one Boeing 737-800, each of which we had contracted to purchase in prior periods. In addition, AeroTurbine, our subsidiary, purchased two Airbus A320-200 aircraft, two Boeing 757 aircraft, three Bombardier aircraft and one McDonnell Douglas MD-83 aircraft in the three months ending June 30, 2007. At June 30, 2007, the gross book value of flight equipment we expect to take delivery of or agree to acquire during the full year 2007, based on contracted purchase agreements and signed letters of intent was $791.9 million. Of that amount, approximately $458.6 million was delivered to us during the first six months of 2007, including the aircraft discussed above delivered during the three months ended June 30, 2007.

During the three months ended June 30, 2007, we reached an agreement on the value of a damages claim we had filed with a previous lessee which had filed for bankruptcy protection. We had previously sold our claim to a third party subject to final valuation of the claim. We recognized a gain of $9.0 million upon signing the settlement agreement with the airline which will be recorded as other income in our consolidated income statement for the three months ended June 30, 2007.

During the three months ended June 30, 2007, we executed sale agreements for the sale of three Airbus A330-300 aircraft subject to leases, which we expect to deliver in July 2007. In addition, we

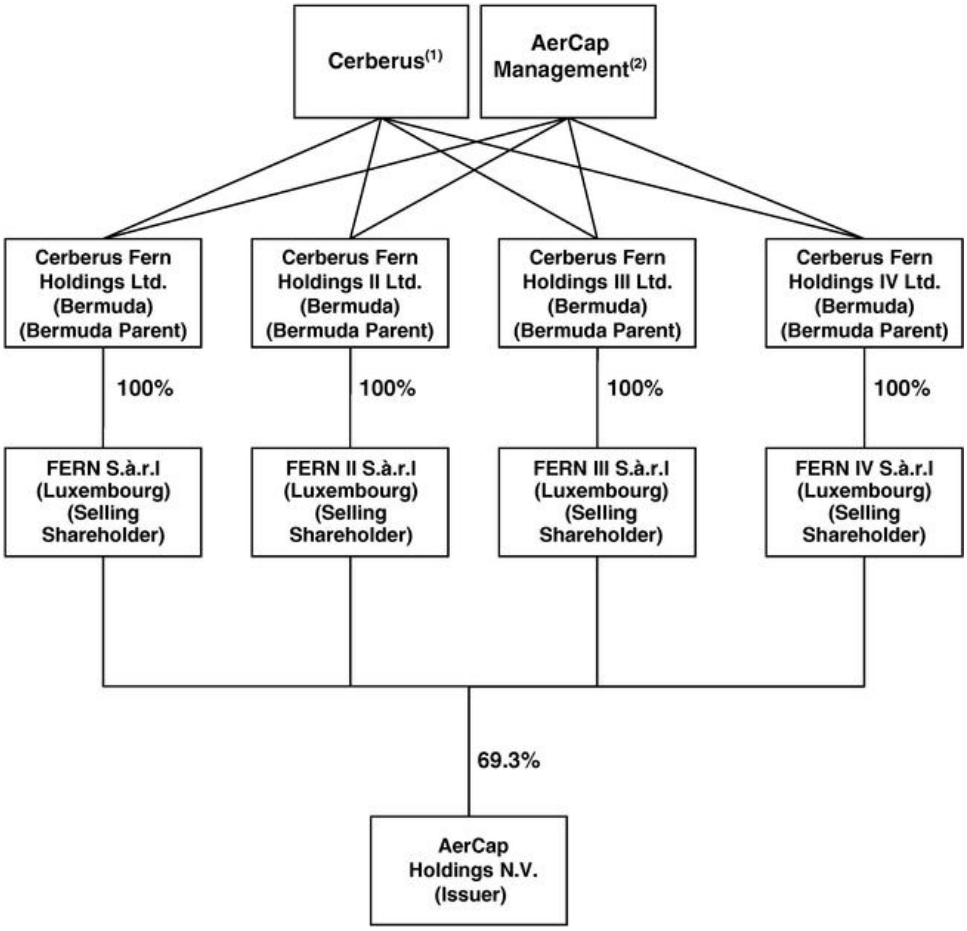
executed agreements for the sale of two A300 freighter aircraft subject to leases, of which one is expected to be delivered in September 2007 and the other is expected to be delivered in September 2008. The aggregate sales price for the four aircraft to be delivered in the three months ending September 30, 2007 was approximately $170 million.

Our Corporate History and Shareholding Structure

We were formed as a Netherlands public limited liability company ("*naamloze vennootschap*") on July 10, 2006 to acquire all of the assets and liabilities of AerCap Holdings C.V. a Netherlands limited partnership. AerCap Holdings C.V. was formed on June 27, 2005 for the purpose of acquiring all of the shares and certain liabilities of AerCap B.V. (formerly known as debis AirFinance B.V.). On June 30, 2005, AerCap Holdings C.V. acquired all of AerCap B.V.'s shares and liabilities owed by AerCap B.V. to its prior shareholders, the 2005 Acquisition, for total consideration of $1.4 billion, $370.0 million of which was funded with equity contributions by the selling shareholders. Substantially all of the equity funding for the 2005 Acquisition was provided by funds and accounts affiliated with Cerberus, who will retain control of us after this offering. Certain members of our senior management and of our Board of Directors are also indirect shareholders of the selling shareholders. On April 26, 2006, we acquired all of the existing share capital of AeroTurbine, Inc. an engine leasing, trading and parts sales company, the AeroTurbine Acquisition. On October 27, 2006, AerCap Holdings N.V. acquired all of the assets and liabilities of AerCap Holdings C.V. and on November 27, 2006, we completed an initial public offering on the New York Stock Exchange, in which we issued and sold an additional 6.8 million of our ordinary shares and Cerberus sold 19.3 million of our ordinary shares.

Based on an assumed public offering price of $32.25 per ordinary share, the last reported sale price of our ordinary shares on the NYSE on July 9, 2007, funds and accounts affiliated with Cerberus and certain members of our senior management and of our Board of Directors will receive $511.5 million and $100.0 million, respectively, from the proceeds of this offering if the underwriters do not exercise their overallotment option and $591.4 million and $112.5 million, respectively, from the proceeds of this offering if the underwriters exercise their overallotment option. See "Use of Proceeds" and "Principal and Selling Shareholders" for more information regarding the proceeds that funds and accounts affiliated with Cerberus as well as certain members of our senior management and of our Board of Directors will receive from this offering.

The following chart sets forth our shareholders' ownership structure prior to this offering.



(1) Cerberus beneficially owns 86.0% of the Bermuda Parents' common shares. The Bermuda Parents' and the Selling Shareholders are holding companies that were formed by Cerberus for the purpose of acquiring us and do not own any other assets or conduct activities outside of their indirect investment in us.

(2) As of the date of this prospectus, Cerberus beneficially owned 86.0% of the Bermuda Parents' common shares and certain members of our senior management and an employee of Cerberus owned the remaining 14.0%. In addition, certain members of our senior management and of our Board of Directors also own vested options to purchase common shares of the Bermuda Parents which are currently exercisable upon or within 60 days of the closing of this offering. If all such options were exercised, Cerberus would beneficially own 82.8% of the common shares of the Bermuda Parents and certain members of our senior management and of our Board of Directors and an employee of Cerberus would own the remaining 17.2%.

Our principal executive offices are located at Evert van de Beekstraat 312, 1118 CX Schiphol Airport, The Netherlands, and our general telephone number is +31 20 655-9655. Our website address is www.aercap.com. Information contained on our website does not constitute a part of this prospectus.

* * *

Explanatory Note Regarding Our Aircraft Portfolio

Unless otherwise noted or the context requires, all references in this prospectus to:

- "owned aircraft" refers to aircraft to which we hold legal title, aircraft to which we are the primary economic beneficiary, such as the aircraft legally owned by Aircraft Lease Securitisation Limited and other financing structures established by us, and aircraft owned by our consolidated joint ventures, all of which are reflected on our balance sheets; and

- "managed aircraft" refers to the aircraft owned by third parties and our non-consolidated financing structures and joint ventures. Managed aircraft also include the aircraft which we leased-in pursuant to operating leases from the owners of the aircraft and in turn subleased to commercial airlines. These aircraft are not reflected on our balance sheets.

In this prospectus, unless otherwise specified, when we discuss our aircraft portfolio, we describe our owned and managed portfolio as of March 31, 2007. References to lease revenues from our aircraft portfolio are to our owned portfolio for the year ended December 31, 2006, the three months ended March 31, 2007 or other periods where indicated.

The definitions above are intended to include, where the context requires, all relevant aircraft in the same categories in the future. References to the number of aircraft and engines we lease, buy, sell and have on order in this prospectus include our owned and managed aircraft and engines. Also, unless the context otherwise requires, all weighted average age percentages and weighted average lease terms of owned aircraft in this prospectus have been calculated using net book value.

THE OFFERING

Ordinary shares offered by the selling shareholders	20,000,000 shares
Overallotment option	3,000,000 shares
Total ordinary shares outstanding after the offering	85,036,957 shares
Selling shareholders	Four Luxembourg limited liability companies indirectly owned by funds and accounts affiliated with Cerberus and certain members of our senior management and of our Board of Directors.
Use of proceeds	We will not receive any of the proceeds from the sale of ordinary shares by the selling shareholders. Funds and accounts affiliated with Cerberus and certain members of our senior management and of our Board of Directors and an employee of Cerberus will receive all of the net proceeds from the sale of the ordinary shares being offered by the selling shareholders. See "Use of Proceeds". An affiliate of Lehman Brothers Inc. has a 2.7% participation interest in certain funds affiliated with Cerberus and will receive 2.7% of the proceeds received by such funds in this offering. See "Underwriting".
Dividend Policy	To date, we have not declared or paid any dividends on our ordinary shares. We intend to retain our future earnings to fund working capital and our growth and do not expect to pay dividends in the foreseeable future. See "Dividend Policy".
Risk Factors	See "Risk Factors" beginning on page 15 of this prospectus and other information included in this prospectus for a discussion of factors you should carefully consider before deciding to invest in the ordinary shares.
New York Stock Exchange Symbol	"AER".
Tax Considerations	See "Tax Considerations" beginning on page 166.

Unless the context otherwise requires, all information in this prospectus assumes the underwriters' overallotment option has not been exercised.

SUMMARY CONSOLIDATED FINANCIAL AND OPERATING DATA

The following table presents AerCap Holdings N.V.'s (the successor company) and AerCap B.V.'s (the predecessor company) summary historical consolidated financial and operating data for each of the periods indicated, prepared in accordance with generally accepted accounting principles in the United States, or U.S. GAAP. You should read this information in conjunction with AerCap Holdings N.V.'s audited consolidated financial statements and related notes, unaudited condensed consolidated interim financial statements and related notes and the information under "Selected Consolidated Financial Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in this prospectus.

AerCap Holdings N.V. was formed as a Netherlands public limited liability company ("*naamloze vennootschap*") on July 10, 2006 and acquired all of the assets and liabilities of AerCap Holdings C.V., a Netherlands limited partnership on October 27, 2006. There was no change in accounting basis as a result of this transaction. Since AerCap Holdings C.V. and AerCap Holdings N.V. are entities organized under common control, the historical consolidated financial statements of AerCap Holdings, C.V. became the historical consolidated financial statements of AerCap Holdings N.V. AerCap Holdings C.V. was formed on June 27, 2005 for the purpose of acquiring all of the shares and certain liabilities of AerCap B.V. (formerly known as debis AirFinance B.V.) in connection with the 2005 Acquisition. The financial information presented as of December 31, 2006 and for the fiscal years ended December 31, 2004 and 2006 and the six months ended June 30, 2005 and December 31, 2005 was derived from AerCap Holdings N.V.'s audited consolidated financial statements included in this prospectus. The financial information presented for the three months ended March 31, 2006 and as of and for the three months ended March 31, 2007 was derived from AerCap Holding N.V.'s unaudited condensed consolidated interim financial statements included in this prospectus. The financial information presented for the three months ended March 31, 2007 is not necessarily indicative of the results that may be expected for the year ending December 31, 2007.

	AerCap B.V.		AerCap Holdings N.V.			
	Year ended December 31, 2004 (adjusted) (1)	Six months ended June 30, 2005 (adjusted) (1)	Six months ended December 31, 2005 (adjusted) (1)(2)	Year ended December 31, 2006 (adjusted) (1)(3)	Three months ended March 31, 2006(1)	Three months ended March 31, 2007(1)
	(In thousands, except share and per share amounts)					
Consolidated Income Statements Data:						
Revenues						
Lease revenue	$ 308,500	$ 162,155	$ 173,568	$ 443,925	$ 87,941	$ 139,703
Sales revenue	32,050	75,822	12,489	301,405	33,215	148,885
Management fee revenue	15,009	6,512	7,674	14,072	3,681	3,025
Interest revenue	21,641	13,130	20,335	34,681	8,934	7,272
Other revenue	13,667	3,459	1,006	20,336	5,322	10,587
Total revenues	**390,867**	**261,078**	**215,072**	**814,419**	**139,093**	**309,472**
Expenses						
Depreciation	125,877	66,407	45,918	102,387	24,324	33,932
Cost of goods sold	18,992	57,632	10,574	220,277	20,502	118,003
Interest on debt	113,132	69,857	44,742	166,219	28,203	50,484
Impairments(4)	134,671	—	—	—	—	—
Other expenses	68,856	32,386	26,524	46,523	9,586	10,128
Selling, general and administrative expenses(5)	36,449	19,559	26,949	149,364	11,133	26,585
Total expenses	**497,977**	**245,841**	**154,707**	**684,770**	**93,748**	**239,132**
(Loss) income from continuing operations before income taxes and minority interests	**(107,110)**	**15,237**	**60,365**	**129,649**	**45,345**	**70,340**
Provision for income taxes	224	556	(10,604)	(21,246)	(10,430)	(10,026)
Minority interests net of tax	—	—	—	588	600	252
Net (loss) income	**$ (106,886)**	**$ 15,793**	**$ 49,761**	**$ 108,991**	**$ 35,515**	**$ 60,566**
(Loss) earnings per share, basic and diluted	$ (145.19)	$ 21.45	$ 0.64	$ 1.38	$ 0.45	$ 0.71
Weighted average shares outstanding, basic and diluted	736,203	736,203	78,236,957	78,992,513	78,236,957	85,036,957

	AerCap Holdings N.V.	
	As of December 31, 2006 (adjusted)(1)	As of March 31, 2007(1)
	(US dollars in thousands)	
Consolidated Balance Sheet Data:		
Assets		
Cash and cash equivalents	$ 131,201	$ 140,103
Restricted cash	112,277	99,459
Flight equipment held for operating leases, net	2,966,779	3,074,519
Notes receivable, net of provisions	167,451	166,344
Prepayments on flight equipment	166,630	150,621
Other assets	373,698	395,385
Total assets	**$ 3,918,036**	**$ 4,026,431**
Debt	2,555,139	2,665,987
Other liabilities	611,893	546,428
Shareholders' equity	751,004	814,016
Total liabilities and shareholders' equity	**$ 3,918,036**	**$ 4,026,431**

(1) On September 8, 2006, the Financial Accounting Standards Board issued FSP No. AUG AIR-1 "*Accounting for Planned Major*

Maintenance Activities" (the "FSP"). The FSP amends certain provisions in the AICPA Industry Audit Guide, "Audit of Airlines," and is applicable for our financial year beginning January 1, 2007. The FSP eliminates the "accrue in advance" methodology

of accounting for certain future maintenance payments. As a result of the FSP, our previous method of accruing for the payment of top-up or lessor maintenance contribution obligations at the signing of a lease is no longer permitted. Accordingly, we have adjusted our historical financial statements in accordance with Statement of Financial Accounting Standards No. 154 "*Accounting Changes and Error Corrections*" ("FAS 154") to reflect the application of the new policy for top-up and lessor maintenance contribution obligations. The effect of the adjustments on net income and retained earnings was $(1,524) and $42,004 for the year ended December 31, 2004; $(17,907) and $24,097 for the six months ended June 30, 2005; $98 and $98 for the six months ended December 31, 2005; $1,144 and $1,242 for the three months ended March 31, 2006; $20,995 and $21,093 for the year ended December 31, 2006; and $8,514 and $29,607 for the three months ended March 31, 2007. See Note 1 to our audited consolidated financial statements contained in this prospectus.

(2) We were formed on June 27, 2005; however, we did not commence operations until June 30, 2005, when we acquired all of the shares and certain of the liabilities of AerCap B.V. Our initial accounting period was from June 27, 2005 to December 31, 2005, but we generated no material revenue or expense between June 27, 2005 and June 30, 2005 and did not have any material assets before the 2005 Acquisition. For convenience of presentation only, we have labeled our initial accounting period in table headings in this prospectus as the six months ended December 31, 2005.

(3) Includes the results of AeroTurbine for the period from April 26, 2006 (date of acquisition) to December 31, 2006.

(4) Includes aircraft impairment, investment impairment and goodwill impairment.

(5) Includes share-based compensation expense of $78,635 and $2,447 for the year ended December 31, 2006 and the three months ended March 31, 2007, respectively.

SUMMARY UNAUDITED CONSOLIDATED PRO FORMA FINANCIAL INFORMATION

The following summary unaudited consolidated pro forma income statement for the year ended December 31, 2006 has been derived by the application of pro forma adjustments to AerCap Holdings N.V.'s audited consolidated financial statements for the year ended December 31, 2006 which are included in this prospectus and AeroTurbine's audited consolidated financial statements for the period from January 1, 2006 to April 25, 2006 which are not included in this prospectus.

The summary unaudited consolidated pro forma income statement for the year ended December 31, 2006 gives effect to the AeroTurbine Acquisition and related conforming accounting changes as if they had occurred on January 1, 2006. On April 26, 2006, we acquired all of the existing share capital of AeroTurbine.

The summary unaudited consolidated pro forma financial information is based on assumptions and preliminary data and reflects adjustments described under "Unaudited Consolidated Pro Forma Financial Information" and the accompanying notes. The summary unaudited consolidated pro forma financial information is being furnished solely for informational purposes and is not intended to represent or be indicative of the results that we would have reported if the transaction identified above had occurred on the date indicated, nor does it purport to represent the results of operations we will obtain in future periods. The summary unaudited consolidated pro forma financial information should be read in conjunction with AerCap Holdings N.V.'s audited consolidated financial statements and related notes included in this prospectus.

For additional information regarding our summary unaudited consolidated pro forma financial information, see "Unaudited Consolidated Pro Forma Financial Information".

Summary Unaudited Consolidated Pro Forma Financial Information

	Year ended December 31, 2006
	(US dollars in thousands, except per share amounts)
Consolidated Income Statement Data:	
Revenues	
Lease revenue	$ 456,641
Sales revenue	342,543
Management fee revenue	14,072
Interest revenue	34,686
Other revenue	20,392
Total revenues	**868,334**
Expenses	
Depreciation	105,166
Cost of goods sold	254,734
Interest on debt	171,384
Operating lease in costs	25,232
Leasing expenses	25,130
Provision for doubtful notes and accounts receivable	(186)
Selling, general and administrative expenses(1)	157,074
Total expenses	**738,534**
Income from continuing operations before income taxes and minority interests	**129,800**
Provision for income taxes	(21,304)
Minority interests net of taxes	588
Net income	**$ 109,084**
Net income per share (basic/diluted)	$ 1.38

(1) Includes share-based compensation expense of $78.6 million

RISK FACTORS

An investment in our ordinary shares involves a high degree of risk. You should carefully consider the risks described below before making an investment decision. Our business, financial condition and results of operations could be materially and adversely affected by any of these risks. The trading price of our ordinary shares could decline due to any of these risks or other factors, and you may lose all of part or your investment. The risks described below are those that we currently believe may materially affect us. This prospectus also contains forward looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward looking statements as a result of certain factors, including the risks faced by us described below and elsewhere in this prospectus.

Risks Related to Our Business

Our business model depends on the continual re-leasing of our aircraft and engines when current leases expire, and we may not be able to do so on favorable terms, if at all.

Our business model depends on the continual re-leasing of our aircraft and engines when our current leases expire in order to generate sufficient revenues to finance our growth and operations and pay our debt service obligations. Between March 31, 2007 and December 31, 2009, aircraft leases accounting for approximately 43.2% of our lease revenues for the year ended December 31, 2006, are scheduled to expire and the aircraft subject to those leases will need to be re-leased or extended. In addition, nearly all of our engines are subject to short-term leases, which are generally less than 180 days. Our ability to re-lease our aircraft and engines will depend on general market and competitive conditions at the time the leases expire. The general market and competitive conditions may be affected by many factors which are outside of our control.

In 2006, we generated $22.9 million of revenues from leases that are scheduled to expire in 2007, $68.0 million of revenues from leases that are scheduled to expire in 2008 and $101.0 million of revenues from leases that are scheduled to expire in 2009. Since we lease most of our engines under short-term leases (90 to 180 days), we generally re-lease our engines at least once a year. If we are unable to re-lease an aircraft or engine on acceptable terms, our lease revenue may decline and we may need to sell the aircraft or engines at unfavorable prices to provide adequate funds for our debt service obligations and to otherwise finance our growth and operations.

Changes in interest rates may adversely affect our financial results and growth prospects.

We use floating rate debt to finance the acquisition of a significant portion of our aircraft and engines. All of our revolving credit facilities have floating interest rates. As of December 31, 2006 and March 31, 2007, we had $2.3 billion and $2.4 billion, respectively, of indebtedness outstanding that was floating rate debt. We incurred floating rate interest expense of $135.0 million and $37.7 million in 2006 and the three months ended March 31, 2007, respectively. If interest rates increase, we would be obligated to make higher interest payments to our lenders. Our practice has been to hedge the expected future interest payments on a portion of our floating-rate liabilities by entering into derivative contracts. However, we remain exposed to changes in interest rates to the extent that our hedges are not perfectly correlated to our financial liabilities. In addition, if we incur significant fixed rate debt in the future, increased interest rates prevailing in the market at the time of the incurrence or refinancing of such debt will also increase our interest expense.

Changes in interest rates may also adversely affect our lease revenues generated from leases with lease rates tied to floating interest rates. In 2006 and the three months ended March 31, 2007, 30.7% and 32.5%, respectively, of our lease revenue was attributable to leases tied to floating interest rates. Therefore, if interest rates were to decrease, our lease revenue would decrease. In addition, because our fixed rate leases are based, in part, on prevailing interest rates at the time we enter into the lease; if interest rates decrease, new leases we enter into will be at lower lease rates and our lease revenue

will be adversely affected. As of December 31, 2006, if interest rates were to increase by 1%, we would expect to incur an increase in interest expense on our floating rate indebtedness of approximately $5.6 million on an annualized basis, excluding the offsetting benefits of interest rate hedges currently in effect, and, if interest rates were to decrease by 1%, we would expect to generate $11.0 million less lease revenue on an annualized basis.

The business of leasing, financing and sales of aircraft, engines and parts has historically experienced prolonged periods of oversupply during which lease rates and aircraft values have declined, and any future oversupply could materially and adversely affect our financial results and growth prospects.

In the past, the aircraft and engine leasing, buying and selling businesses have experienced prolonged periods of aircraft and engine oversupply. The oversupply of a specific type of aircraft or engine is likely to depress the lease rates for and the value of that type of aircraft or engine. The supply and demand for aircraft and engines is affected by various cyclical and non-cyclical factors that are outside of our control, including:

- passenger and air cargo demand;
- fuel costs and general economic conditions;
- geopolitical events, including war, prolonged armed conflict and acts of terrorism;
- outbreaks of communicable diseases and natural disasters;
- governmental regulation;
- interest rates;
- the availability of credit;
- airline restructurings and bankruptcies;
- manufacturer production levels and technological innovation;
- manufacturers merging or exiting the industry or ceasing to produce aircraft types;
- retirement and obsolescence of aircraft models;
- reintroduction into service of aircraft previously in storage; and
- airport and air traffic control infrastructure constraints.

These factors may produce sharp and prolonged decreases in aircraft and engine lease rates and values, and have a material adverse effect on our ability to re-lease our aircraft and engines and/or sell our aircraft engines and parts at acceptable prices. Any of these factors could materially and adversely affect our financial results and growth prospects.

Our financial condition is dependent, in part, on the financial strength of our lessees; lessee defaults and other credit problems could adversely affect our financial results and growth prospects.

Our financial condition depends on the financial strength of our lessees, our ability to diligence and appropriately assess the credit risk of our lessees and the ability of lessees to perform under their leases. In 2006 and in the three months ended March 31, 2007, we generated 54.5% and 45.1%, respectively, of our revenues from leases to the airline industry, and as a result, we are indirectly affected by all the risks facing airlines today. The ability of our lessees to perform their obligations under our leases will depend primarily on the lessee's financial condition and cash flow, which may be affected by factors outside our control, including:

- competition;
- fare levels;

- passenger and air cargo rates;
- passenger and air cargo demand;
- geopolitical and other events, including war, acts of terrorism, outbreaks of epidemic diseases and natural disasters;
- increases in operating costs, including the price and availability of jet fuel and labor costs;
- labor difficulties;
- economic conditions and currency fluctuations in the countries and regions in which the lessee operates; and
- governmental regulation and associated fees affecting the air transportation business.

Generally, airlines with high debt leverage are more likely than airlines with stronger balance sheets to seek operating leases. As a result, most of our existing lessees are not rated investment grade by the principal U.S. rating agencies and may suffer liquidity problems, and, at any point in time, may experience lease payment difficulties or be significantly in arrears in their obligations under our operating leases. Some lessees encountering financial difficulties may seek a reduction in their lease rates or other concessions, such as a decrease in their contribution toward maintenance obligations. Any future downturns in the airline industry could greatly exacerbate the weakened financial condition and liquidity problems of some of our lessees and further increase the risk of delayed, missed or reduced rental payments. We may not correctly assess the credit risk of each lessee or charge lease rates which correctly reflect the related risks and our lessees may not be able to continue to meet their financial and other obligations under our leases in the future. A delayed, missed or reduced rental payment from a lessee decreases our revenues and cash flow. Our default levels may increase over time if economic conditions deteriorate. If lessees of a significant number of our aircraft or engines default on their leases, our financial results and growth prospects will be adversely affected.

The value and lease rates of our aircraft and engines could decline and this would have a material adverse effect on our financial results and growth prospects.

Aircraft and engine values and lease rates have historically experienced sharp decreases due to a number of factors including, but not limited to, decreases in passenger and air cargo demand, increases in fuel costs, government regulation and increases in interest rates. In addition to factors linked to the aviation industry generally, many other factors may affect the value and lease rates of our aircraft and engines, including:

- the particular maintenance, operating history and documentary records of the aircraft or engine;
- the number of operators using that type of aircraft or engine;
- the regulatory authority under which the aircraft or engine is operated;
- whether the aircraft or engine is subject to a lease and, if so, whether the lease terms are favorable to the lessor;
- any renegotiation of a lease on less favorable terms;
- the negotiability of clear title free from mechanics liens and encumbrances;
- any regulatory and legal requirements that must be satisfied before the aircraft can be purchased, sold or re-leased;

- compatibility of our aircraft configurations or specifications with other aircraft owned by operators of that type;
- comparative value based on newly manufactured competitive aircraft or engines; and
- the availability of spare parts.

Any decrease in the value and lease rates of aircraft or engines which may result from the above factors or other unanticipated factors, may have a material adverse effect on our financial results and growth prospects.

The concentration of some aircraft and engine models in our aircraft and engine portfolios could adversely affect our business and financial results should any problems specific to these particular models occur.

Due to the high concentration of Airbus A320 family aircraft and CFM International CFM56 family engines in our aircraft and engine portfolios, our financial results and growth prospects may be adversely affected if the demand for these aircraft or engine models declines, if they are redesigned or replaced by their manufacturer or if these aircraft or engine models experience design or technical problems. As of March 31, 2007, 85.4% of the net book value of our aircraft portfolio was represented by Airbus aircraft. Our owned aircraft portfolio included 14 aircraft types, the four highest concentrations of which together represented 81.9% of our aircraft by net book value. As of March 31, 2007, the four highest concentrations were Airbus A320 aircraft, representing 35.8% of the net book value of our aircraft portfolio, Airbus A321 aircraft, representing 23.3% of the net book value of our aircraft portfolio, Airbus A330 aircraft, representing 12.7% of the net book value of our aircraft portfolio and Airbus A319 aircraft, representing 10.1% of the net book value of our aircraft portfolio. No other aircraft type represented more than 10% of our portfolio by net book value. In addition to our significant number of existing Airbus aircraft, as of May 31, 2007, we had 74 new Airbus A320 family aircraft and 30 new Airbus A330-200 widebody aircraft on order from Airbus either directly or indirectly through our consolidated joint venture, AerVenture. We also have a significant concentration of CFM56 engines in our engine portfolio. As of March 31, 2007, 80.2% of the net book value of our engine portfolio was represented by CFM56 engines and 8.7% was represented by IAE engines.

Should any of these aircraft or engine types or aircraft manufactured by Airbus in general encounter technical or other problems, the value and lease rates of those aircraft or engines will likely decline, and we may be unable to lease the aircraft or engines on favorable terms, if at all. Any significant technical problems with any such aircraft or engine models could result in the grounding of the aircraft or engines.

In addition, if Airbus experiences further financial difficulty or if its restructuring plan is unsuccessful, we could be adversely affected. Airbus has announced that production delays on Airbus's A380 megajet are expected to reduce profits from 2007 to 2010 by $6 billion. Airbus has also announced that it will need to spend up to $13 billion to redesign its A350 aircraft and that the service entry of its A350 XWB aircraft would be delayed by approximately one year to 2013.

Any decrease in the value and lease rates of our aircraft and engines may have a material adverse effect on our financial results and growth prospects.

If we are unable to successfully complete our integration of AeroTurbine, we may not be able to implement our business strategy.

We acquired AeroTurbine in April 2006. If we are unable to successfully complete the integration of AeroTurbine, a critical component of our business strategy which is focused on leveraging our ability to manage aircraft profitably throughout their lifecycle would be adversely affected. AeroTurbine's engine leasing business, airframe and engine disassembly business and its MRO capabilities are critical components of this strategy because we believe that these businesses and capabilities broaden our ability to extract value from a wide range of aircraft assets, particularly older aircraft, and to lower our maintenance costs. Our ability to successfully complete the integration of AeroTurbine will depend, in part, on the efforts of the former owners of AeroTurbine who are currently its Chief Executive Officer and Chief Operating Officer. If we are unable to successfully integrate AeroTurbine, we may acquire aircraft and engines that we may not be able to lease at attractive rates, if at all, or profitably disassemble for sale by our parts business. As a result, we may overpay for new aircraft or engines that we acquire. As we continue to integrate AeroTurbine, we may discover weaknesses or limitations in AeroTurbine's management information and accounting systems and internal controls. In addition, even if we are able to successfully complete the integration of AeroTurbine, we may be required to incur increased or unanticipated costs. If we are unable to complete the successful integration of AeroTurbine or if we experience increased costs in integrating AeroTurbine, we may not be able to implement our business strategy, our financial results and growth prospects may be materially and adversely affected, and we may fail to benefit from the synergies we expect to result from the AeroTurbine Acquisition.

We are indirectly subject to many of the economic and political risks associated with emerging markets, which could adversely affect our financial results and growth prospects.

A significant number of our aircraft and engines are leased to airlines in emerging market countries. As of March 31, 2007, we leased 51.9% of our aircraft and 31.1% of our engines, weighted by net book value, to airlines in emerging market countries. The emerging markets in which our aircraft are operated include Thailand, India, Brazil, Hungary, Turkey, Indonesia, El Salvador, Mexico, Jamaica, Sri Lanka, Taiwan, Malaysia, Russia and Colombia and we may lease aircraft and engines to airlines in other emerging market countries in the future.

Emerging market countries have less developed economies that are more vulnerable to economic and political problems and may experience significant fluctuations in gross domestic product, interest rates and currency exchange rates, as well as civil disturbances, government instability, nationalization and expropriation of private assets and the imposition of taxes or other charges by government authorities. The occurrence of any of these events in markets served by our lessees and the resulting economic instability that may arise could adversely affect the value of our ownership interest in aircraft or engines subject to lease in such countries, or the ability of our lessees which operate in these markets to meet their lease obligations. As a result, lessees which operate in emerging market countries may be more likely to default than lessees that operate in developed countries. In addition, legal systems in emerging market countries may be less developed, which could make it more difficult for us to enforce our legal rights in such countries. For these and other reasons, our financial results and growth prospects may be materially and adversely affected by adverse economic and political developments in emerging market countries.

If our lessees encounter financial difficulties and we decide to restructure our leases, the restructuring would likely result in less favorable leases which could adversely affect our financial results and growth prospects.

If a lessee is late in making payments, fails to make payments in full or in part under a lease or has advised us that it will fail to make payments in full or in part under a lease in the future, we may

elect or be required to restructure the lease, which could result in less favorable terms or termination of a lease without receiving all or any of the past due amounts. We may be unable to agree upon acceptable terms for some or all of the requested restructurings and as a result may be forced to exercise our remedies under those leases. If we, in the exercise of our remedies, repossess an aircraft or engine, we may not be able to re-lease the aircraft or engine promptly at favorable rates, if at all. You should expect that restructurings and/or repossessions with some lessees will occur in the future. The terms and conditions of possible lease restructurings may result in a significant reduction of lease revenue, which may adversely affect our financial results and growth prospects.

If we or our lessees fail to maintain our aircraft or engines, their value may decline and we may not be able to lease or re lease our aircraft and engines at favorable rates, if at all, which would adversely affect our financial results and growth prospects.

We may be exposed to increased maintenance costs for our leased aircraft and engines associated with a lessee's failure to properly maintain the aircraft or engine or pay supplemental maintenance rent. If an aircraft or engine is not properly maintained, its market value may decline which would result in lower revenues from its lease or sale. Under our leases, our lessees are primarily responsible for maintaining the aircraft and engines and complying with all governmental requirements applicable to the lessee and the aircraft and engines, including operational, maintenance, government agency oversight, registration requirements and airworthiness directives. Although we require many of our lessees to pay us a supplemental maintenance rent, failure of a lessee to perform required maintenance during the term of a lease could result in a decrease in value of an aircraft or engine, an inability to re lease an aircraft or engine at favorable rates, if at all, or a potential grounding of an aircraft or engine. Maintenance failures by a lessee would also likely require us to incur maintenance and modification costs upon the termination of the applicable lease, which could be substantial, to restore the aircraft or engine to an acceptable condition prior to sale or re-leasing. Supplemental maintenance rent paid by our lessees may not be sufficient to fund our maintenance costs. Our lessees' failure to meet their obligations to pay supplemental maintenance rent or perform required scheduled maintenance or our inability to maintain our aircraft or engines may materially and adversely affect our financial results and growth prospects.

Competition from other aircraft or engine lessors with greater resources or a lower cost of capital than us could adversely affect our financial results and growth prospects.

The aircraft and engine leasing industry is highly competitive. Our competition is comprised of major aircraft leasing companies including GE Commercial Aviation Services, International Lease Finance Corp., CIT Aerospace, Aviation Capital Group, Pegasus Aviation, RBS Aviation Capital, AWAS, Babcock & Brown, Boeing Capital Corp., Macquarie Air Finance and AirCastle Advisors, and six major engine leasing companies, including GE Engine Leasing, Engine Lease Finance Corporation, Pratt & Whitney Engine Leasing LLC, Willis Lease Finance Corporation, Rolls Royce and Partners Finance and Shannon Engine Support Ltd. Some of our competitors are significantly larger and have greater resources or lower cost of capital than us; accordingly, they may be able to compete more effectively in one or more of our markets. In addition, GE Commercial Aviation Services, through its acquisition of the Memphis Group, Inc., an aircraft parts trading company, in late 2006, is able to operate with an integrated business model similar to our own, and therefore directly compete with each aspect of our business.

In addition, we may encounter competition from other entities such as:

- airlines;
- aircraft manufacturers and MRO organizations;
- financial institutions, including those seeking to dispose of re-possessed aircraft at distressed prices;

- aircraft brokers;
- public and private partnerships, investors and funds with more capital to invest in aircraft and engines; and
- other aircraft and engine leasing companies and MRO organizations that we do not currently consider our major competitors.

Some of these competitors have greater operating and financial resources and access to lower capital costs than us. We may not always be able to compete successfully with such competitors and other entities, which could materially and adversely affect our financial results and growth prospects.

We are exposed to significant regional political and economic risks due to the concentration of our lessees in certain geographical regions which could adversely affect our financial results and growth prospects.

Through our lessees, we are exposed to local economic and political conditions. Such adverse economic and political conditions include additional regulation or, in extreme cases, requisition of our aircraft or engines. The effect of these conditions on payments to us will be more or less pronounced, depending on the concentration of lessees in the region with adverse conditions. The airline industry is highly sensitive to general economic conditions. A recession or other worsening of economic conditions or a terrorist attack, particularly if combined with high fuel prices or a weak Euro or other local currency, may have a material adverse effect on the ability of our lessees to meet their financial and other obligations under our leases.

Lease rental revenues from lessees based in Asia accounted for 43.5% of our lease revenues in 2006. The outbreak of SARS in 2003 had a significant negative effect on the Asian economy, particularly in China, Hong Kong and Taiwan. The Asian airline industry has since recovered and is currently experiencing strong growth; however, a recurrence of SARS or the outbreak of another epidemic disease, such as avian influenza, which many experts believe would originate in Asia, could materially and adversely affect the Asian airline industry.

Lease rental revenues from lessees based in Europe accounted for 34.9% of our lease revenues in 2006. Commercial airlines in Europe face, and can be expected to continue to face, increased competitive pressures, in part as a result of the deregulation of the airline industry by the European Union and the resulting expansion of low-cost carriers. European countries generally have relatively strict environmental regulations and traffic constraints that can restrict operational flexibility and decrease aircraft productivity, which could significantly increase operating costs of all aircraft, including our aircraft, thereby adversely affecting our lessees.

Lease rental revenues from lessees based in North America, including Mexico, accounted for 12.8% of our lease revenues in 2006. During the past 15 years, a number of North American passenger airlines filed for bankruptcy and several major U.S. airlines ceased operations altogether. The outbreak of SARS, the war and prolonged conflict in Iraq and the September 11, 2001 terrorist attacks in the United States have imposed additional financial burdens on most U.S. airlines as a result of increased expenses due to tightened security requirements and in certain cases have led to a temporary reduction in demand for air travel.

Lease rental revenues from lessees based in Latin America account for 6.6% of our lease revenues in 2006. The economies of Latin American countries are generally characterized by lower levels of foreign investment and greater economic volatility when compared to industrialized countries. Lease rental revenues from lessees based in the Caribbean accounted for 2.2% of our lease revenues in 2006. Any economic downturn in the Latin American or the Caribbean economies may adversely affect the operations of our lessees in these regions.

Our substantial indebtedness incurred to acquire our aircraft and engines requires significant debt service payments.

As of March 31, 2007, our consolidated indebtedness was $2.7 billion and our interest expense (including the impact of hedging activities) was $166.2 million and $50.5 million for the year ended December 31, 2006 and the three months ended March 31, 2007, respectively. Due to the capital intensive nature of our business and our strategy of expanding our aircraft and engine portfolios, we expect that we will incur additional indebtedness in the future and continue to maintain high levels of indebtedness. As of May 31, 2007, we had 74 new A320 family aircraft and 30 new A330-200 widebody aircraft on order from Airbus. If we acquire all 104 of the Airbus aircraft, over the next five years, we would expect to incur in excess of $4.5 billion of indebtedness to finance the purchase price of the aircraft. High levels of indebtedness may limit our cash flow available for capital expenditures, acquisitions and other general corporate purposes and may have a material adverse effect on our earnings and growth prospects.

In addition, covenants in some of the indebtedness incurred by our subsidiaries prevent our subsidiaries from paying dividends to us if we or the relevant subsidiary do not meet specified financial ratios. In addition, the terms of the Aircraft Lease Securitisation indebtedness allow for distributions on the subordinated notes held by us only after the senior class of notes is redeemed.

Aircraft have limited economically useful lives and depreciate over time, which can adversely affect our financial condition and growth prospects.

As our aircraft age, they will depreciate and generally the aircraft will generate lower revenues and cash flows. If we do not replace our older depreciated aircraft with newer aircraft, our ability to maintain or increase our revenues and cash flows will decline. In addition, since we depreciate our aircraft for accounting purposes on a straight line basis to the aircraft's estimated residual value over its estimated useful life, if we dispose of an aircraft for a price that is less than the depreciated book value of the aircraft on our balance sheet, we will recognize a loss on the sale.

Our failure to maintain effective internal controls could have a material adverse effect on our business in the future and on our access to the capital markets.

Although we were not subject to the requirements of Section 404 of the Sarbanes Oxley Act of 2002 prior to 2007, we have begun documenting and testing our internal controls in order to enable us to satisfy those requirements as of December 31, 2007. At the end of this year, in accordance with Section 404 of the Sarbanes Oxley Act, our management will be required to assess the effectiveness of our internal control over financial reporting, and we will be required to have our independent registered public accounting firm audit management's assessment on the operating effectiveness of our internal control over financial reporting. In the course of their audit of our consolidated financial statements for the year ended December 31, 2006, our auditors communicated to our audit committee recommendations for the improvement of our internal control systems. We are in the process of addressing those recommendations. If our management or our independent registered public accounting firm were to conclude that our internal control over financial reporting was not effective, including appropriate remediation of the internal control recommendations referred to above, investors could lose confidence in our reported financial information and the value of our ordinary shares could be adversely impacted. Our failure to achieve and maintain effective internal controls could have a material adverse effect on our business in the future and on our access to the capital markets.

In addition, in connection with our compliance with Section 404 and the other applicable provisions of the Sarbanes Oxley Act, our management and other personnel will need to devote a substantial amount of time, and may need to hire additional accounting and financial staff, to assure that we comply with these requirements. Compliance may also make some of our activities more time

consuming and costly. The additional management attention and costs relating to compliance with the Sarbanes Oxley Act could materially and adversely affect our growth and financial results.

The advanced age of some of our aircraft may cause us to incur higher than anticipated maintenance expenses, which could adversely affect our financial results and growth prospects.

As of March 31, 2007, we owned 70 aircraft that were over ten years of age, representing 30.0% of the net book value of our aircraft portfolio. In general, the costs of operating an aircraft, including maintenance expenditures, increase as the aircraft ages. In addition, older aircraft are typically less fuel-efficient, noisier and produce higher levels of emissions, than newer aircraft and may be more difficult to re-lease or sell. In a depressed market, the value of older aircraft may decline more rapidly than the values of newer aircraft and our operating results may be adversely affected. Increased variable expenses like fuel, maintenance and increased governmental regulation could make the operation of older aircraft or engines less profitable and may result in increased lessee defaults. Incurring higher than anticipated maintenance expenses associated with the advanced age of some of our aircraft or our inability to sell or re-lease such older aircraft would materially and adversely affect our financial results and growth prospects.

The advent of superior aircraft and engine technology could cause our existing aircraft and engine portfolio to become outdated and therefore less desirable, which could adversely affect our financial results and growth prospects.

As manufacturers introduce technological innovations and new types of aircraft and engines, some of the aircraft and engines in our aircraft and engine portfolios may become less desirable to potential lessees. In addition, the imposition of increased regulation regarding stringent noise or emissions restrictions may make some of our aircraft and engines less desirable in the marketplace. Any of these risks may adversely affect our ability to lease or sell our aircraft or engines on favorable terms, if at all, which would have a material adverse effect on our financial results and growth prospects.

If our lessees' insurance coverage is insufficient, it could adversely affect our financial results and growth prospects.

While we do not directly control the operation of any of our aircraft or engines, by virtue of holding title to aircraft, directly or indirectly, in certain jurisdictions around the world, we could be held strictly liable for losses resulting from the operation of our aircraft and engines, or may be held liable for those losses on other legal theories. We require our lessees to obtain specified levels of insurance and indemnify us for, and insure against, liabilities arising out of their use and operation of the aircraft.

However, following the terrorist attacks of September 11, 2001, aviation insurers significantly reduced the amount of insurance coverage available to airlines for liability to persons other than employees or passengers for claims resulting from acts of terrorism, war or similar events. At the same time, aviation insurers significantly increased the premiums for third party war risk and terrorism liability insurance and coverage in general. As a result, the amount of third party war risk and terrorism liability insurance that is commercially available at any time may be below the amount stipulated in our leases.

Our lessees' insurance or other coverage may not be sufficient to cover all claims that may be asserted against us arising from the operation of our aircraft and engines by our lessees. Inadequate insurance coverage or default by lessees in fulfilling their indemnification or insurance obligations will reduce the proceeds that would be received by us in the event we are sued and are required to make payments to claimants, which could materially and adversely affect our financial results and growth prospects.

If we incur significant costs resulting from lease defaults it could adversely affect our financial results and growth prospects.

If we are required to repossess an aircraft or engine after a lessee default, we may be required to incur significant unexpected costs. Those costs include legal and other expenses of court or other governmental proceedings, including the cost of posting surety bonds or letters of credit necessary to effect repossession of the aircraft or engine, particularly if the lessee is contesting the proceedings or is in bankruptcy. In addition, during these proceedings the relevant aircraft or engine is not generating revenue. We may also incur substantial maintenance, refurbishment or repair costs that a defaulting lessee has failed to pay and that are necessary to put the aircraft or engine in suitable condition for re-lease or sale. It may also be necessary to pay off liens, taxes and other governmental charges on the aircraft to obtain clear possession and to remarket the aircraft effectively, including, in some cases, liens that the lessee may have incurred in connection with the operation of its other aircraft. We may also incur other costs in connection with the physical possession of the aircraft or engine.

We may also suffer other adverse consequences as a result of a lessee default and the related termination of the lease and the repossession of the related aircraft or engine. Our rights upon a lessee default vary significantly depending upon the jurisdiction and the applicable law, including the need to obtain a court order for repossession of the aircraft and/or consents for de-registration or re-export of the aircraft. When a defaulting lessee is in bankruptcy, protective administration, insolvency or similar proceedings, additional limitations may apply. Certain jurisdictions give rights to the trustee in bankruptcy or a similar officer to assume or reject the lease or to assign it to a third party, or entitle the lessee or another third party to retain possession of the aircraft or engine without paying lease rentals or performing all or some of the obligations under the relevant lease. In addition, certain of our lessees are owned in whole, or in part, by government related entities, which could complicate our efforts to repossess our aircraft or engines in that government's jurisdiction. Accordingly, we may be delayed in, or prevented from, enforcing certain of our rights under a lease and in re-leasing the affected aircraft or engine.

If we repossess an aircraft or engine, we will not necessarily be able to export or de-register and profitably redeploy the aircraft or engine. For instance, where a lessee or other operator flies only domestic routes in the jurisdiction in which the aircraft or engine is registered, repossession may be more difficult, especially if the jurisdiction permits the lessee or the other operator to resist de-registration. We may also incur significant costs in retrieving or recreating aircraft or engine records required for registration of the aircraft or engine, and in obtaining the certificate of airworthiness for an aircraft. If we incur significant costs repossessing our aircraft or engines, are delayed in repossessing our aircraft or engines or are unable to obtain possession of our aircraft or engines as a result of lessee defaults, our financial results and growth prospects may be materially and adversely affected.

If we provide MRO services to third parties, we may lose some of our existing MRO service provider customers who lease our engines and purchase our parts.

A significant portion of our short-term engine leases are to engine MRO service providers, which in turn use the engines to provide their customers with spare engines while the MRO service provider repairs the customer's engines. Also, a significant portion of our engine parts are sold directly to our engine MRO service provider customers. If we provide MRO services directly to third parties we would compete directly with some of our MRO service provider customers. Some of these MRO service provider customers may choose to lease engines and purchase parts from our competitors with whom they do not directly compete in their MRO business.

If our lessees fail to appropriately discharge aircraft liens, we may be obligated to pay the aircraft liens, which could adversely affect our financial results and growth prospects.

In the normal course of their business, our lessees are likely to incur aircraft and engine liens that secure the payment of airport fees and taxes, custom duties, air navigation charges, including charges imposed by Eurocontrol, landing charges, crew wages, repairer's charges, salvage or other liens that may attach to our aircraft or engine. These liens may secure substantial sums that may, in certain jurisdictions or for certain types of liens, particularly liens on entire fleets of aircraft, exceed the value of the particular aircraft or engine to which the liens have attached. Aircraft and engines may also be subject to mechanical liens as a result of routine maintenance performed by third parties on behalf of our customers. Although the financial obligations relating to these liens are the responsibility of our lessees, if they fail to fulfill their obligations, the liens may attach to our aircraft or engines and ultimately become our responsibility. In some jurisdictions, aircraft and engine liens may give the holder thereof the right to detain or, in limited cases, sell or cause the forfeiture of the aircraft or engine.

Until they are discharged, these liens could impair our ability to repossess, re lease or sell our aircraft or engines. Our lessees may not comply with their obligations under their leases to discharge aircraft liens arising during the terms of their leases. If they do not, we may find it necessary to pay the claims secured by such aircraft liens in order to repossess the aircraft or engine. Such payments would materially and adversely affect our financial results and growth prospects.

Failure to obtain certain required licenses, certificates and approvals could adversely affect our ability to re-lease or sell aircraft and engines, our ability to perform maintenance services or to provide cash management services, which would materially and adversely affect our financial condition and results of operations.

Under our leases, we may be required in some instances to obtain specific licenses, consents or approvals for different aspects of the leases. These required items include consents from governmental or regulatory authorities for certain payments under the leases and for the import, re-export or deregistration of the aircraft and engines. Subsequent changes in applicable law or administrative practice may increase such requirements. In addition, a governmental consent, once given, might be withdrawn. Furthermore, consents needed in connection with future re-leasing or sale of an aircraft or engine may not be forthcoming. To perform some of our cash management services and insurance services from Ireland under our management arrangements with our joint ventures and securitization entities, we require a license from the Irish regulatory authorities, which we have obtained. In addition, to meet our MRO customers' requirements to maintain certain flight certifications, AeroTurbine requires certificates from the Federal Aviation Administration, or FAA, and European Aviation Safety Agency, or EASA, which it has obtained. A failure to maintain these licenses or certificates or obtain any required license or certificate, consent or approval, or the occurrence of any of the foregoing events, could adversely affect our ability to provide qualifying services or re-lease or sell our aircraft or engines, which would materially and adversely affect our financial condition and results of operations.

Our ability to operate in some countries is restricted by foreign regulations and controls on investments.

Many countries restrict or control foreign investments to varying degrees, and additional or different restrictions or policies adverse to us may be imposed in the future. These restrictions and controls have limited, and may in the future restrict or preclude, our investment in joint ventures or the acquisition of businesses outside of the United States, or may increase the cost to us of entering into such transactions. Various governments, particularly in the Asia-Pacific region, require governmental approval before foreign persons may make investments in domestic businesses and also limit the extent of any such investments. Furthermore, various governments may require governmental approval for the repatriation of capital by, or the payment of dividends to, foreign investors. Restrictive policies

regarding foreign investments may increase our costs of pursuing growth opportunities in foreign jurisdictions, which could materially and adversely affect our financial results and growth prospects.

There are a limited number of aircraft and engine manufacturers and the failure of any manufacturer to meet its aircraft and engine delivery obligations to us could adversely affect our financial results and growth prospects.

The supply of commercial jet aircraft is dominated by two airframe manufacturers, Boeing and Airbus, and three engine manufacturers, GE Aircraft Engines, Rolls Royce plc and Pratt & Whitney. As a result, we are dependent on these manufacturers' success in remaining financially stable, producing products and related components which meet the airlines' demands and fulfilling their contractual obligations to us. In 2006, Airbus made a series of announcements relating to significant delays and cost overruns in the manufacturing process for the new commercial jet it is developing, the A380 megajet. These delays and cost overruns have resulted in several changes of Airbus's top management and led to some Airbus customers canceling existing orders, which aggravated Airbus's economic difficulties.

Further, competition between Airbus and Boeing for market share is escalating and may cause instances of deep discounting for certain aircraft types, which could adversely affect our ability to obtain an attractive price when we attempt to sell our aircraft in the aftermarket. Should the manufacturers fail to respond appropriately to changes in the market environment or fail to fulfill their contractual obligations, we may experience:

- missed or late delivery of aircraft and engines ordered by us and an inability to meet our contractual obligations to our customers, resulting in lost or delayed revenues, lower growth rates and strained customer relationships;
- an inability to acquire aircraft and engines and related components on terms which will allow us to lease those aircraft and engines to customers at a profit, resulting in lower growth rates or a contraction in our aircraft portfolio;
- a market environment with too many aircraft and engines available, creating downward pressure on demand for the aircraft and engines in our fleet and reduced market lease rates and sale prices;
- poor customer support from the manufacturers of aircraft, engines and components resulting in reduced demand for a particular manufacturer's product, creating downward pressure on demand for those aircraft and engines in our fleet and reduced market lease rates and sale prices for those aircraft and engines; and
- reduction in our competitiveness due to deep discounting by the manufacturers, which may lead to reduced market lease rates and sale prices and may affect our ability to remarket or sell some of the aircraft and engines in our portfolio.

We will need additional capital to finance our growth, and we may not be able to obtain it on terms acceptable to us, if at all, which may limit our ability to grow and compete in the aircraft and engine leasing and trading markets.

We will need additional capital to continue to expand our business by acquiring additional aircraft, engines and other aviation assets, and financing may not be available to us or may be available to us only on terms that are not favorable. We initially finance the acquisition of aircraft through a combination of medium term revolving credit facilities and long term debt structures. Once we obtain a sufficient number and diversity of aircraft financed with medium term revolving credit facilities, we generally refinance these facilities with long term debt structures, including securitizations, tax advantaged structures and bank loans. As a result, we are subject to the risk that we will not be able to acquire, during the period that our credit facilities are available, a sufficient amount of eligible aircraft

and engines to allow for an issuance of long-term debt. If we are unable to raise additional funds or obtain capital on terms acceptable to us, we may have to delay, modify or abandon some or all of our growth strategies. Further, if additional capital is raised through the issuance of additional equity securities, the percentage ownership of our then current shareholders would be diluted. Newly issued equity securities may have rights, preferences or privileges senior to those of our ordinary shares. See "Description of Ordinary Shares".

We are subject to various environmental regulations that may have an adverse impact on our financial results and growth prospects.

Governmental regulations regarding aircraft and engine noise and emissions levels apply based on where the relevant airframe is registered, and where the aircraft is operated. For example, jurisdictions throughout the world have adopted noise regulations which require all aircraft to comply with noise level standards. In addition to the current requirements, the United States and the International Civil Aviation Organization, or ICAO, have adopted a new, more stringent set of standards for noise levels which will apply to engines manufactured or certified beginning in 2006. Currently, United States regulations would not require any phase-out of aircraft that qualify with the current standards, but the European Union has established a framework for the imposition of operating limitations on aircraft that do not comply with the new standards. These regulations could limit the economic life of our aircraft and engines, reduce their value, limit our ability to lease or sell the non-compliant aircraft and engines or, if engine modifications are permitted, require us to make significant additional investments in the aircraft and engines to make them compliant.

In addition to more stringent noise restrictions, the United States and other jurisdictions are beginning to impose more stringent limits on the emission of nitrogen oxide, carbon monoxide and carbon dioxide emissions from engines. Though current emissions control laws generally apply to newer engines, new laws could be passed in the future that also impose limits on older engines, and therefore any new engines we purchase, as well as our older engines, could be subject to existing or new emissions limitations. Limitations on emissions could favor the use of larger wide-body aircraft since they generally produce lower levels of emissions per passenger, which could adversely affect our ability to re-lease or otherwise dispose of our narrow-body aircraft on a timely basis, at favorable terms, or at all. This is an area of law that is rapidly changing, and while we do not know at this time whether new emission control laws will be passed, and if passed what impact such laws might have on our business, any future emissions limitations could adversely affect us.

Our operations are subject to various federal, state and local environmental, health and safety laws and regulations in the United States, including those relating to the discharge of materials into the air, water and ground, the generation, storage, handling, use, transportation and disposal of hazardous materials, and the health and safety of its employees. A violation of these laws and regulations or permit conditions can result in substantial fines, permit revocation or other damages. Many of these laws impose liability for clean up of contamination that may exist at our facilities (even if we did not know of or were not responsible for the contamination) or related personal injuries or natural resource damages or costs relating to contamination at third party waste disposal sites where we have sent or may send waste. We cannot assure you that we will be at all times in complete compliance with these laws, regulations or permits. We may have liability under environmental laws or be subject to legal actions brought by governmental authorities or other parties for actual or alleged violations of, or liability under, environmental, health and safety laws, regulations or permits.

We are the manager for several securitization vehicles and joint ventures and our financial results would be adversely affected if we were removed from these positions.

We are the aircraft manager for various securitization vehicles, joint ventures and third parties and receive annual fees for these services. In 2006 and the three months ended March 31, 2007, we

generated revenue of $14.1 million and $3.0 million respectively from providing aircraft management services to non-consolidated securitization vehicles and joint ventures and third parties. We may be removed as manager by the affirmative vote of a requisite number of holders of the securities issued by the securitization vehicles upon the occurrence of specified events and at specified times under our joint venture agreements. If we are removed, in the case of our consolidated securitization vehicles and joint ventures, our expenses would increase since such securitization vehicles or joint ventures would have to hire an outside aircraft manager and, in the case of non-consolidated securitization vehicles, joint ventures and third parties, our revenues would decline as a result of the loss of our fees for providing management services to such entities. If we are removed as aircraft manager for any securitization vehicle or joint venture that generates a significant portion of our management fees, our financial results and growth prospects could be materially and adversely affected.

Our limited control over our joint ventures may delay or prevent us from implementing our business strategy which may adversely affect our financial results and growth prospects.

We are currently joint venture partners in several joint ventures, including AerVenture, a consolidated joint venture which has entered into a purchase agreement with Airbus for the purchase of 70 A320 family aircraft, and it is our strategy to enter into additional joint ventures in the future. Under the AerVenture joint venture agreement, we share control over significant decisions with our joint venture partner. For example, we may not, without the consent of our AerVenture joint venture partner, cause AerVenture to incur any debt outside the ordinary course of business, buy or sell assets or pay dividends to us. Since we have limited control over AerVenture and certain of our other joint ventures and may not be able to exercise control over any future joint venture, we may not be able to require AerVenture or such other joint ventures to take actions that we believe are necessary to implement our business strategy. Accordingly, this limited control could have a material adverse effect on our financial results and growth prospects.

The departure of senior managers could adversely affect our financial results and growth prospects.

Our future success depends, to a significant extent, upon the continued service of our senior management personnel. For a description of the senior management team, see "Management". The departure of senior management personnel could have a material adverse effect on our ability to achieve our business strategy, including the integration of AeroTurbine.

In certain countries, an engine affixed to an aircraft may become an accession to the aircraft and we may not be able to exercise our ownership rights over the engine.

In some jurisdictions, an engine affixed to an aircraft may become an accession to the aircraft, so that the ownership rights of the owner of the aircraft supersede the ownership rights of the owner of the engine. If an aircraft is security for the owner's obligations to a third party, the security interest in the aircraft may supersede our rights as owner of the engine. This legal principle could limit our ability to repossess an engine in the event of an engine lease default while the aircraft with our engine installed remains in such jurisdiction. We would suffer a substantial loss if we were not able to repossess engines leased to lessees in these jurisdictions, which would materially and adversely affect our financial results and growth prospects.

Risks Related to the Aviation Industry

As high fuel prices continue to affect the profitability of the aviation industry, our lessees might not be able to meet their lease payment obligations, which would adversely affect our financial results and growth prospects.

Fuel costs represent a major expense to companies operating in the aviation industry. Fuel prices fluctuate widely depending primarily on international market conditions, geopolitical and environmental

events and currency/exchange rates. As a result, fuel costs are not within the control of lessees and significant increases in fuel costs would materially and adversely affect their operating results.

Factors such as natural disasters can significantly affect fuel availability and prices. In August and September 2005, Hurricanes Katrina and Rita inflicted widespread damage along the Gulf Coast of the United States, causing significant disruptions to oil production, refinery operations and pipeline capacity in the region, and to oil production in the Gulf of Mexico. These disruptions resulted in decreased fuel availability and higher fuel prices.

Fuel prices currently remain at historically high levels. The continuing high cost of fuel has had, and sustained high costs in the future may continue to have, a material adverse affect on airlines' profitability, including our lessees. Due to the competitive nature of the aviation industry, operators have been and may continue to be unable to pass on increases in fuel prices to their customers by increasing fares in a manner that fully off-sets the increased fuel costs they have incurred. In addition, they may not be able to manage this risk by appropriately hedging their exposure to fuel price fluctuations. If fuel prices remain at historically high levels or increase further due to future terrorist attacks, acts of war, armed hostilities, natural disasters or for any other reason, they are likely to cause our lessees to incur higher costs and/or generate lower revenues, resulting in an adverse affect on their financial condition and liquidity. Consequently, these conditions may adversely affect our lessees' ability to make rental and other lease payments, result in lease restructurings and/or aircraft and engine repossessions, increase our costs of servicing and marketing our aircraft and engines, impair our ability to re-lease them or otherwise dispose of them on a timely basis at favorable rates or terms, if at all, and reduce the proceeds received for such assets upon any disposition. Any of these events could adversely affect our financial results and growth prospects.

If the effects of terrorist attacks and geopolitical conditions continue to adversely affect the financial condition of the airlines, our lessees might not be able to meet their lease payment obligations, which would adversely affect our financial results and growth prospects.

As a result of the September 11, 2001 terrorist attacks in the United States and subsequent terrorist attacks abroad, notably in the Middle East, Southeast Asia and Europe, increased security restrictions were implemented on air travel, costs for aircraft insurance and security measures have increased, passenger and cargo demand for air travel decreased and operators have faced and continue to face increased difficulties in acquiring war risk and other insurance at reasonable costs. In addition, war or armed hostilities, or the fear of such events could further exacerbate many of the problems experienced as a result of terrorist attacks. Uncertainty regarding the situation in Iraq and tension over Iran's and North Korea's nuclear programs may lead to further instability in the Middle East. Future terrorist attacks, war or armed hostilities, or the fear of such events, could further adversely affect the aviation industry and may have an adverse effect on the financial condition and liquidity of our lessees, aircraft and engine values and rental rates, and may lead to lease restructurings or repossessions, all of which could adversely affect our financial results and growth prospects.

Terrorist attacks and adverse geopolitical conditions have adversely affected the aviation industry and concerns about such events could also result in:

- higher costs to the airlines due to the increased security measures;
- decreased passenger demand and revenue due to the inconvenience of additional security measures;
- uncertainty of the price and availability of jet fuel and the cost and practicability of obtaining fuel hedges under current market conditions;
- higher financing costs and difficulty in raising the desired amount of proceeds on favorable terms, if at all;

- significantly higher costs of aviation insurance coverage for future claims caused by acts of war, terrorism, sabotage, hijacking and other similar perils, and the extent to which such insurance has been or will continue to be available;

- inability of airlines to reduce their operating costs and conserve financial resources, taking into account the increased costs incurred as a consequence of terrorist attacks and geopolitical conditions, including those referred to above; and

- special charges recognized by some operators, such as those related to the impairment of aircraft and engines and other long lived assets stemming from the grounding of aircraft as a result of terrorist attacks, the economic slowdown and airline reorganizations.

Future terrorist attacks, acts of war or armed hostilities may cause certain aviation insurance to become available only at significantly increased premiums, which may be for reduced amounts of coverage that are insufficient to comply with the levels of insurance coverage currently required by aircraft and engine lenders and lessors or by applicable government regulations, or to be not available at all.

Although the Aircraft Transportation Safety and System Stabilization Act adopted in the United States on September 22, 2001 and similar programs instituted by the governments of other countries provide for limited government coverage under government programs for specified types of aviation insurance, these programs may not continue and governments may not pay under these programs in a timely fashion.

Future terrorist attacks, acts of war or armed hostilities are likely to cause our lessees to incur higher costs and to generate lower revenues, which could result in an adverse effect on their financial condition and liquidity. Consequently, these conditions may affect their ability to make rental and other lease payments to us or obtain the types and amounts of insurance required by the applicable leases, which may in turn lead to aircraft groundings, may result in additional lease restructurings and repossessions, may increase our cost of re-leasing or selling the aircraft and may impair our ability to re-lease or otherwise dispose of them on a timely basis at favorable rates or on favorable terms, if at all, and may reduce the proceeds received for our aircraft and engines upon any disposition. These results could adversely affect our financial results and growth prospects.

The effects of SARS or other epidemic diseases may adversely affect the airline industry in the future, which might cause our lessees to not be able to meet their lease payment obligations to us, which would adversely affect our financial results and growth prospects.

The linking of the 2003 outbreak of SARS to air travel materially and adversely affected passenger demand for air travel at that time. While the World Heath Organization's travel bans related to SARS were lifted, SARS had a continuing negative affect on the aviation industry, which was evidenced by a sharp reduction in passenger bookings and the cancellation of many flights after the air travel bans had been lifted. While these effects were felt most acutely in Asia, the effect of SARS on the aviation industry also adversely affected other areas, including North America.

Since 2003, there have been several outbreaks of avian influenza, beginning in Asia and, most recently, spreading to certain parts of Africa and Europe. Although human cases of avian influenza so far have been limited in number, the World Health Organization has expressed serious concern that a human influenza pandemic could develop from the avian influenza virus. In such an event, numerous responses, including travel restrictions, might be necessary to combat the spread of the disease. Additional outbreaks of SARS or other diseases, such as avian influenza, or the fear of such events, could adversely affect passenger demand for air travel and the aviation industry. These consequences could result in our lessees' inability to satisfy their lease payment obligations to us, which in turn would adversely affect our financial results and growth prospects.

The passenger aviation industry is inherently cyclical and a significant downturn in the industry would adversely impact our lessees' ability to make payments to us, which would adversely affect our financial results and growth prospects.

The years 2001 through 2004 were characterized by falling air traffic demand and rising costs. This industry downturn was exacerbated by the terrorist attacks on September 11, 2001, prolonged military action in Iraq and Afghanistan, rising fuel prices, SARS and avian influenza. As a result, the global airline industry experienced significant financial losses. Many airlines, including some of our lessees, announced or implemented reductions in capacity, service and workforce. Additionally, many airlines sought protection under bankruptcy laws. The airline bankruptcies and the reduction in demand led to the grounding of significant numbers of aircraft and engines and the negotiation of reductions in lease rental rates, which depressed aircraft and engine market values.

While the down cycle has ended and many of the world's airlines are experiencing improved financial performance, an industry downturn is likely to occur again in the future and the impact could be similar to the impact of the prior downturn. Such a downturn would likely place already financially weakened lessees under further duress, once again putting downward pressure on lease rates. As in the previous downturn, the grounding of undesirable older aircraft would also play a role in depressing aircraft and engine market values.

Risks Related to Our Organization and Structure

If the ownership of our ordinary shares continues to be highly concentrated, it may prevent you and other minority shareholders from influencing significant corporate decisions and may result in conflicts of interest.

After giving effect to this offering, assuming that the underwriters' overallotment option is not exercised, companies controlled by funds and accounts affiliated with Cerberus, will own 45.8% of our ordinary shares. As a result, Cerberus may be able to effectively control fundamental corporate matters and transactions, including the appointment of a majority of our directors, mergers, amalgamations, consolidations or acquisitions, the sale of all or substantially all of our assets, the amendment of our articles of association and our dissolution. This concentration of ownership may delay, deter or prevent acts that would be favored by our other shareholders, such as a change of control transaction that would result in the payment of a premium to our other shareholders. In addition, this concentration of share ownership may adversely affect the trading price of our ordinary shares if the perception among investors exists that owning shares in a company with a significant shareholder is not desirable.

We are a Netherlands public limited liability company (naamloze vennootschap) and it may be difficult for you to obtain or enforce judgments against us or our executive officers, some of our directors and some of our named experts in the United States.

We were formed under the laws of The Netherlands and, as such, the rights of holders of our ordinary shares and the civil liability of our directors will be governed by the laws of The Netherlands and our articles of association. The rights of shareholders under the laws of The Netherlands may differ from the rights of shareholders of companies incorporated in other jurisdictions. Some of the named experts referred to in this prospectus are not residents of the United States, and most of our directors and our executive officers and most of our assets and the assets of our directors are located outside the United States. In addition, under our articles of association, all lawsuits against us and our directors and executive officers shall be governed by the laws of The Netherlands and must be brought exclusively before the Courts of Amsterdam, The Netherlands. As a result, you may not be able to serve process on us or on such persons in the United States or obtain or enforce judgments from U.S. courts against them or us based on the civil liability provisions of the securities laws of the United States. There is doubt as to whether courts of The Netherlands would enforce certain civil liabilities

under U.S. securities laws in original actions and enforce claims for punitive damages. See "Enforcement of Civil Liabilities".

Under our articles of association, we indemnify and hold our directors, officers and employees harmless against all claims and suits brought against them, subject to limited exceptions. Under our articles of association, to the extent allowed by law, the rights and obligations among or between us, any of our current or former directors, officers and employees and any current or former shareholder shall be governed exclusively by the laws of The Netherlands and subject to the jurisdiction of The Netherlands courts, unless such rights or obligations do not relate to or arise out of their capacities listed above. Although there is doubt as to whether U.S. courts would enforce such provision in an action brought in the United States under U.S. securities laws, such provision could make enforcing judgments obtained outside of The Netherlands more difficult to enforce against our assets in The Netherlands or jurisdictions that would apply Netherlands law.

Our international operations expose us to economic and legal risks associated with a global business.

We conduct our business in many countries, and we anticipate that revenue from our international operations, particularly from the Asia-Pacific region, will continue to account for a significant amount of our future revenue. There are risks inherent in conducting our business internationally, including:

- general political and economic instability in international markets;
- limitations in the repatriation of our assets, including cash;
- expropriation of our international assets;
- different liability standards and less developed legal systems that may be less predictable than those in the United States; and
- intellectual property laws of countries that do not protect our international rights to the same extent as the laws of the United States.

These factors may have a material adverse effect on our financial results and growth prospects.

If our subsidiaries do not make distributions to us we will not be able to pay dividends.

Substantially all of our assets are held by and our revenues are generated by our subsidiaries. We will be limited in our ability to pay dividends unless we receive dividends or other cash flow from our subsidiaries. Substantially all of our owned aircraft are held through special purpose subsidiaries or finance structures which borrow funds to finance or refinance the aircraft. The terms of such financings place restrictions on distributions of funds to us. If these limitations prevent distributions to us or our subsidiaries do not generate positive cash flows, we will be limited in our ability to pay dividends and may be unable to transfer funds between subsidiaries if required to support our subsidiaries.

Risks Related to This Offering

The market price and trading volume of our ordinary shares may be volatile, which could result in rapid and substantial losses for our shareholders.

The market price of our ordinary shares may be highly volatile and could be subject to wide fluctuations. In addition, the trading volume in our ordinary shares may fluctuate and cause significant price variations to occur. If the market price of our ordinary shares declines significantly, you may be unable to resell your ordinary shares at or above your purchase price, if at all. Some of the factors that could negatively affect our ordinary share price or result in fluctuations in the price or trading volume of our ordinary shares include:

- variations in our quarterly operating results which can fluctuate as a result of, among other factors, the timing of aircraft sales which can significantly affect our revenues, adjustments to

our accrued maintenance liability and changes in interest rates that can affect the value of derivatives which we mark to market;

- failure to meet earnings estimates;
- publication of research reports about us, other aircraft lessors or the aviation industry or the failure of securities analysts to cover our ordinary shares after this offering;
- additions or departures of key management personnel;
- adverse market reaction to any indebtedness we may incur or preference or ordinary shares we may issue in the future;
- changes in our dividend payment policy or failure to execute our existing policy;
- actions by shareholders;
- changes in market valuations of similar companies;
- announcements by us or our competitors of significant contracts, acquisitions, dispositions, strategic partnerships, joint ventures or capital commitments;
- speculation about our business in the press or investment community;
- changes or proposed changes in laws or regulations affecting the aviation industry or enforcement of these laws and regulations or announcements relating to these matters; and
- general market, political and economic conditions and local conditions in the markets which our lessees are located.

In addition, the stock market has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to changes in the operating performance of listed companies. Broad market and industry factors may significantly affect the market price of companies' ordinary shares, including ours, regardless of actual operating performance. These fluctuations may be even more pronounced in the trading market for our ordinary shares shortly following this offering. In addition, in the past, following periods of volatility in the overall market and the market price of a particular company's securities, securities class action litigation has often been instituted against these companies. This litigation, if instituted against us, could result in substantial costs and a diversion of our management's attention and resources.

Future sales of ordinary shares by existing shareholders could cause our ordinary share price to decline which could adversely affect our ability to fund our growth and operations.

If our existing shareholders sell, or indicate an intention to sell, substantial amounts of our ordinary shares in the public market after the lock-up, and other legal restrictions on resale discussed in this prospectus no longer apply, the trading price of our ordinary shares could decline. We currently have and upon completion of this offering will continue to have a total of 85.0 million ordinary shares outstanding. Upon completion of this offering, 46.1 million of our ordinary shares will be freely tradable, without restriction, in the public market, assuming that the underwriters do not exercise their overallotment option.

The underwriters of this offering may, in their sole discretion, permit our officers, directors, and other current shareholders who are subject to the contractual lock-up to sell ordinary shares prior to the expiration of the lock-up agreements.

We expect that the lock-up agreements pertaining to this offering will expire 90 days from the date of this prospectus, although those lock-up agreements may be extended for up to an additional 18 days under certain circumstances. After the lock-up agreements expire, up to an additional 38.9 million ordinary shares will be eligible for sale in the public market. All of these ordinary shares are held by affiliates and will be subject to volume limitations under Rule 144 under the Securities Act. If these additional ordinary shares are sold, or if it is perceived that they will be sold, in the public market, the trading price of our ordinary shares could decline.

Risks Related to Taxation

We may become a passive foreign investment company, or PFIC, for U.S. federal income tax purposes.

We do not believe we will be classified as a PFIC for the current year. The determination as to whether a foreign corporation is a PFIC is a complex determination based on all of the relevant facts and circumstances and depends on the classification of various assets and income under PFIC rules. In our case, the determination is further complicated by the application of the PFIC rules to leasing companies and to joint ventures and financing structures common in the aircraft leasing industry. It is unclear how some of these rules apply to us. Further, this determination must be tested annually and our circumstances may change in any given year. We do not intend to make decisions regarding the purchase and sale of aircraft with the specific purpose of reducing the likelihood of our becoming a PFIC. Accordingly, our business plan may result in our engaging in activities that could cause us to become a PFIC. If we are or become a PFIC, U.S. shareholders may be subject to increased U.S. federal income taxes on a sale or other disposition of our ordinary shares and on the receipt of certain distributions and will be subject to increased U.S. federal income tax reporting requirements. See "Tax Considerations—U.S. Tax Considerations" for a more detailed discussion of the consequences to you if we are treated as a PFIC and a discussion of certain elections that may be available to mitigate the effects of that treatment. We urge you to consult your own tax advisors regarding the application of the PFIC rules to your particular circumstances.

We may become subject to income or other taxes in jurisdictions which would adversely affect our financial results and growth prospects.

We and our subsidiaries are subject to the income tax laws of Ireland, The Netherlands, Sweden and the United States and other jurisdictions in which our subsidiaries are incorporated or based. In addition, we or our subsidiaries may be subject to additional income or other taxes in these and other jurisdictions by reason of the management and control of our subsidiaries, our activities and operations, where our aircraft operate or where the lessees of our aircraft (or others in possession of our aircraft) are located. Although we have adopted guidelines and operating procedures to ensure our subsidiaries are appropriately managed and controlled to reduce the exposure to such additional taxation, we may be subject to such taxes in the future and such taxes may be substantial. The imposition of such taxes could have a material adverse effect on our financial results and growth prospects.

We may incur current tax liabilities in our primary operating jurisdictions in the future.

We expect to make current tax payments in some of the jurisdictions where we do business in the normal course of our operations. Our ability to defer the payment of some level of income taxes to future periods is dependent upon the continued benefit of accelerated tax depreciation on our flight equipment in some jurisdictions, the continued deductibility of external and intercompany financing arrangements and the application of tax losses prior to their expiration in certain tax jurisdictions, among other factors. The level of current tax payments we make in any of our primary operating jurisdictions could adversely affect our cash flows and have a material adverse effect on our financial results and growth prospects.

We may become subject to additional Irish taxes based on the extent of our operations carried on in Ireland.

Our Irish tax resident subsidiaries are currently subject to Irish corporate income tax on trading income at a rate of 12.5%, on capital gains at 20%, and on other income at 25%. We expect that substantially all of our Irish income in future periods will be treated as trading income for tax purposes. As of December 31, 2006, we had $355.7 million of Irish tax losses available to carry forward against our trading income. The continued application of the 12.5% tax rate to trading income generated in

our Irish tax resident subsidiaries and the ability to carry forward Irish tax losses to shelter future taxable trading income depends in part on the extent and nature of activities carried on in Ireland both in the past and in the future. AerCap Ireland and its Irish tax resident subsidiaries intend to carry on their activities in Ireland so that the 12.5% rate of tax applicable to trading income will apply and that they will be entitled to shelter future income with tax losses that arose from the same trading activity. We may not continue to be entitled to apply our loss carryforwards against future taxable trading income in Ireland.

We may fail to qualify for benefits under one or more tax treaties.

We do not expect that our subsidiaries located outside of the United States will have any material U.S. federal income tax liability by reason of activities we carry out in the United States and the lease of assets to lessees that operate in the United States. However, this conclusion will depend, in part, on continued qualification for the benefits of income tax treaties between the United States and other countries in which we are subject to tax (particularly The Netherlands and Ireland). That in turn may depend on the nature and level of activities carried on by us and our subsidiaries in each jurisdiction, the identity of the owners of equity interests in subsidiaries that are not wholly-owned and the identities of the direct and indirect owners of our indebtedness and the debt of our subsidiaries.

The nature of our activities may be such that our subsidiaries may not continue to qualify for benefits under income tax treaties with the United States and that we may not otherwise qualify for treaty benefits. Failure to so qualify could result in the imposition of U.S. federal taxes which could have a material adverse effect on our financial results and growth prospects.

SPECIAL NOTE ABOUT FORWARD LOOKING STATEMENTS

This prospectus includes forward looking statements, principally under the captions "Prospectus Summary", "Aircraft, Engine and Aviation Parts Industry", "Risk Factors", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business". We have based these forward looking statements largely on our current beliefs, expectations of SH&E and projections about future events and financial trends affecting our business. Many important factors, in addition to those discussed in this prospectus, could cause our actual results to differ substantially from those anticipated in our forward looking statements, including, among other things:

- our ability to successfully negotiate aircraft and engine purchases, sales and leases, to collect outstanding amounts due and to repossess aircraft and engines under defaulted leases, and to control costs and expenses,
- decreases in the overall demand for commercial aircraft and engine leasing and aircraft management services,
- the economic condition of the global airline and cargo industry,
- the ability of our lessees and potential lessees to make operating lease payments to us,
- competitive pressures within the industry,
- changes in interest rates and availability of capital to us and to our customers,
- the negotiation of aircraft management services contracts,
- regulatory changes affecting commercial aircraft operators, aircraft maintenance, engine standards, accounting standards and taxes,
- the risks set forth in "Risk Factors" included in this prospectus.

The words "believe", "may", "will", "aim", "estimate", "continue", "anticipate", "intend", "expect" and similar words are intended to identify forward looking statements. Forward looking statements include information concerning our possible or assumed future results of operations, business strategies, financing plans, competitive position, industry environment, potential growth opportunities, the effects of future regulation and the effects of competition. Forward looking statements speak only as of the date they were made and we undertake no obligation to update publicly or to revise any forward looking statements after we distribute this prospectus because of new information, future events or other factors. In light of the risks and uncertainties described above, the forward looking events and circumstances described in this prospectus might not occur and are not guarantees of future performance.

USE OF PROCEEDS

We will not receive any of the proceeds from the sale of our ordinary shares by the selling shareholders.

Our selling shareholders are directly owned by Bermuda holding companies, the Bermuda Parents, with identical share ownership and capital structures consisting solely of common shares. The Bermuda Parents do not own any other significant assets or conduct any other significant activities outside of their indirect investment in us and the value of the Bermuda Parents is derived exclusively with reference to our value.

We estimate that the net proceeds to the selling shareholders from the offering will be approximately $ assuming an offering price of $ per ordinary share, the last reported sale price of our ordinary shares on the NYSE on , 2007, and after deducting the underwriting discounts and commissions and estimated offering expenses. We expect the net proceeds from the sale of the ordinary shares by the selling shareholders to be distributed to the Bermuda Parents and then to be distributed to holders of the common shares and vested options of the Bermuda Parents. Funds and accounts affiliated with Cerberus own 86.0% of the common shares of the Bermuda Parents and certain members of our senior management and of our Board of Directors and an employee of Cerberus identified under "Principal and Selling Shareholders" own 14.0% of the common shares of the Bermuda Parents.

If all vested options held by such persons are exercised, funds and accounts affiliated with Cerberus would own 82.8% of the common shares of the Bermuda Parents and certain members of our senior management and of our Board of Directors and an employee of Cerberus would own 17.2% of the common shares. Certain members of our senior management also own unvested options which are not reflected in the foregoing ownership percentages.

An affiliate of Lehman Brothers Inc. (the "Lehman Affiliate") has a 2.7% participation interest in certain funds affiliated with Cerberus and will receive 2.7% of the proceeds received by such funds in this offering. Based on the public offering price of $ per share, the last reported sale price of our ordinary shares on the NYSE on , 2007, the sale by the selling shareholders of the number of shares set forth on the cover of this prospectus and distribution of the proceeds of this offering as described above, the Lehman Affiliate will receive $ million of the proceeds of this offering received by the selling shareholders. See "Underwriting".

Based on an assumed public offering price of $ per ordinary share, the last reported sale price of our ordinary shares on the NYSE on , 2007, funds and accounts affiliated with Cerberus and certain members of our senior management and of our Board of Directors will receive $ million and $ million, respectively, from the proceeds of this offering if the underwriters do not exercise their overallotment option and $ million and $ million, respectively, from the proceeds of this offering if the underwriters exercise their overallotment option. See "Principal and Selling Shareholders" for more information regarding our ownership structure and our indirect shareholders.

A $1.00 increase (decrease) in the offering price of $ per ordinary share, the last reported sale price of our ordinary shares on the NYSE on , 2007, would increase (decrease) the net proceeds to the selling shareholders from this offering by $ million, assuming the number of ordinary shares offered by the selling shareholders, as set forth on the cover page of this prospectus, remains the same and after deducting the underwriting discounts and commissions and estimated offering expenses payable by the selling shareholders.

PRICE RANGE OF OUR ORDINARY SHARES

Our ordinary shares are listed on the New York Stock Exchange under the symbol "AER". The following table sets forth the quarterly high and low intraday trading prices of our ordinary shares on the New York Stock Exchange for the periods indicated since the commencement of trading of our ordinary shares following the pricing of our initial public offering on November 21, 2006:

	High	Low
	(US Dollars)	
Year ended December 31, 2006		
Fourth Quarter (from November 21, 2006)	$ 25.10	$ 21.85
Year ending December 31, 2007		
First Quarter	29.85	22.75
Second Quarter	32.80	28.49
Third Quarter (through July 9, 2007)	32.80	31.37

On July 9, 2007, the closing sale price of our ordinary shares as reported on the New York Stock Exchange was $32.25 per share. As of July 9, 2007, there were five record holders of our ordinary shares.

DIVIDEND POLICY

To date, we have not declared or paid any dividends on our ordinary shares. We intend to retain any future earnings to fund working capital and our growth and do not expect to pay any dividend in the foreseeable future. The payment of dividends is subject to the discretion of our Board of Directors and the approval of our shareholders. While the financial statements included in this prospectus are prepared in accordance with U.S. GAAP, under the laws of The Netherlands the amount of dividends we may declare is determined by our Board of Directors by reference to our accounts under Netherlands GAAP and subject to the availability of adequate equity.

In addition, to the extent we decide to pay dividends in the future, our ability to pay dividends will be subject to:

- our future earnings, financial condition, cash requirements, financial leverage, compliance with statutory and regulatory requirements and general business conditions; and
- the terms of our financing facilities that may, from time to time, contain restrictions on dividend payments.

As a holding company, our ability to pay dividends depends primarily on the receipt of dividends and distributions from our subsidiaries. If we declare dividends, we expect to do so in U.S. dollars; however, we have the corporate authority to declare dividends in other currencies. Existing financing arrangements for our aircraft include provisions which limit distributions of cash to us from the subsidiaries through which our aircraft are owned.

CAPITALIZATION

The following table sets forth our consolidated cash and cash equivalents, restricted cash and capitalization as of March 31, 2007. Since we will not receive any proceeds from the sale of our ordinary shares by the selling shareholders, our capitalization will not change as a result of this offering.

This table should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our unaudited condensed consolidated interim financial statements and the accompanying notes that appear elsewhere in this prospectus.

	As of March 31, 2007
	(US dollars in thousands)
Cash and cash equivalents	$ 140,103
Restricted cash	99,459
Total cash and cash equivalents and restricted cash	$ 239,562
ALS securitization debt(1)(2)	818,466
ECA-guaranteed debt(1)	570,632
Commercial bank debt(1)	1,016,410
Other debt	260,479
Total debt	2,665,987
Minority interest	31,685
Ordinary share capital, €0.01 par value (200,000,000 ordinary shares authorized, 85,036,957 ordinary shares issued and outstanding)	699
Additional paid-in capital	593,999
Retained earnings	219,318
Total shareholders' equity	814,016
Total capitalization	**$ 3,751,250**

(1) All of this indebtedness is secured. For a description of our indebtedness see "Indebtedness".

(2) As described below, on May 8, 2007, we refinanced Aircraft Lease Securitisation's existing indebtedness and increased Aircraft Lease Securitisation's indebtedness to $1.66 billion. As of May 31, 2007, as a result of the refinancing, $528.4 million of commercial bank debt had been repaid.

Recent Financing Transactions

On May 8, 2007, Aircraft Lease Securitisation completed a refinancing of its securitized notes with the issuance of $1.66 billion of AAA-rated class G-3 floating rate notes. The proceeds from the refinancing were used to redeem all of the outstanding Aircraft Lease Securitisation debt, other than the most junior class of notes, to repay other indebtedness owned by us, to refinance the indebtedness that had been incurred to purchase 24 previously acquired aircraft, and to finance the purchase of four additional new aircraft, increasing Aircraft Lease Securitisation's aircraft portfolio size to 70 aircraft. In connection with the Aircraft Lease Securitisation refinancing, as of May 31, 2007, we had repaid net $362.6 million of indebtedness under our UBS revolving credit facility and $165.8 million of commercial bank debt with the proceeds of the new securitization.

SELECTED CONSOLIDATED FINANCIAL DATA

The following tables present AerCap Holdings N.V.'s (the successor company) and AerCap B.V.'s (the predecessor company) selected consolidated financial data for each of the periods indicated, prepared in accordance with U.S. GAAP. You should read this information in conjunction with AerCap Holdings N.V.'s audited consolidated financial statements and related notes and unaudited condensed consolidated interim financial statements and related notes included in this prospectus and "Management's Discussion and Analysis of Financial Condition and Results of Operations".

AerCap Holdings N.V. was formed as a Netherlands public limited liability company ("*naamloze vennootschap*") on July 10, 2006 and acquired all of the assets and liabilities of AerCap Holdings C.V., a Netherlands limited partnership on October 27, 2006. There was no change in accounting basis as a result of this transaction. Since AerCap Holdings C.V. and AerCap Holdings N.V. are entities organized under common control, the historical consolidated financial statements of AerCap Holdings C.V. became the historical consolidated financial statements of AerCap Holdings N.V. AerCap Holdings C.V. was formed on June 27, 2005 for the purpose of acquiring all of the shares and certain liabilities of AerCap B.V., (formerly known as debis AirFinance B.V.), in connection with the 2005 Acquisition. The financial information presented as of December 31, 2005 and 2006 and for the fiscal years ended December 31, 2004 and 2006, and the six months ended June 30, 2005 and December 31, 2005, was derived from AerCap Holdings N.V.'s audited consolidated financial statements included in this prospectus. The financial information presented as of and for the fiscal years ended December 31, 2003 and 2002 was derived from AerCap B.V.'s unaudited consolidated financial statements. The financial information presented for the three months ended March 31, 2006 and as of and for the three months ended March 31, 2007 was derived from AerCap Holding N.V.'s unaudited condensed consolidated interim financial statements included in this prospectus. The financial information presented for the three months ended March 31, 2007 is not necessarily indicative of the results that may be expected for the year ending December 31, 2007.

Consolidated Income Statements Data

	AerCap B.V.			
	Year ended December 31,			Six months ended June 30,
	2002 (adjusted)(1)(2)	2003 (adjusted)(1)(2)	2004 (adjusted)(1)	2005 (adjusted)(1)
	(US dollars in thousands, except share and per share amounts)			
Revenues				
Lease revenue	$ 459,115	$ 343,045	$ 308,500	$ 162,155
Sales revenue	13,105	7,499	32,050	75,822
Management fee revenue	7,160	13,400	15,009	6,512
Interest revenue	28,468	22,432	21,641	13,130
Other revenue	1,826	84,568	13,667	3,459
Total revenues	**509,674**	**470,944**	**390,867**	**261,078**
Expenses				
Depreciation	202,395	143,303	125,877	66,407
Cost of goods sold	11,012	6,657	18,992	57,632
Interest on debt	267,228	123,435	113,132	69,857
Impairments(3)	170,498	6,066	134,671	—
Other expenses	64,608	64,010	68,856	32,386
Selling, general and administrative expenses	40,472	39,267	36,449	19,559
Total expenses	**756,213**	**382,738**	**497,977**	**245,841**
(Loss) income from continuing operations before income taxes, minority interest and cumulative effect of change in accounting principle	**(246,539)**	**88,206**	**(107,110)**	**15,237**
Provision for income taxes	60,588	(32,939)	224	556
Minority interest net of tax	—	—	—	—
Cumulative effect of change in accounting principle	(99,491)	—	—	—
Net (loss) income	**$ (285,442)**	**$ 55,267**	**$ (106,886)**	**$ 15,793**
(Loss) earnings per share, basic and diluted	$ (387.72)	$ 75.09	$ (145.19)	$ 21.45
Weighted average shares outstanding, basic and diluted	736,203	736,203	736,203	736,203

Consolidated Income Statements Data

	AerCap Holdings N.V.			
	Six months ended December 31, 2005 (adjusted)(1)(4)	Year ended December 31, 2006 (adjusted)(1)(5)	Three months ended March 31, 2006(1)	Three months ended March 31, 2007(1)
	(US dollars in thousands, except share and per share amounts)			
Revenues				
Lease revenue	$ 173,568	$ 443,925	$ 87,941	$ 139,703
Sales revenue	12,489	301,405	33,215	148,885
Management fee revenue	7,674	14,072	3,681	3,025
Interest revenue	20,335	34,681	8,934	7,272
Other revenue	1,006	20,336	5,322	10,587
Total revenues	**215,072**	**814,419**	**139,093**	**309,472**
Expenses				
Depreciation	45,918	102,387	24,324	33,932
Cost of goods sold	10,574	220,277	20,502	118,003
Interest on debt	44,742	166,219	28,203	50,484
Impairments(3)	—	—	—	—
Other expenses	26,524	46,523	9,586	10,128
Selling, general and administrative expenses(6)	26,949	149,364	11,133	26,585
Total expenses	**154,707**	**684,770**	**93,748**	**239,132**
Income from continuing operations before income taxes, minority interest and cumulative effect of change in accounting principle	**60,365**	**129,649**	**45,345**	**70,340**
Provision for income taxes	(10,604)	(21,246)	(10,430)	(10,026)
Minority interest net of tax	—	588	600	252
Cumulative effect of change in accounting principle	—	—	—	—
Net income	**$ 49,761**	**$ 108,991**	**$ 35,515**	**$ 60,566**
Earnings per share, basic and diluted	$ 0.64	$ 1.38	$ 0.45	$ 0.71
Weighted average shares outstanding, basic and diluted	78,236,957	78,992,513	78,236,957	85,036,957

Consolidated Balance Sheet Data

	AerCap B.V.		
	As of December 31,		
	2002 (adjusted)(1)(2)	2003 (adjusted)(1)	2004 (adjusted)(1)
	(US dollars in thousands)		
Assets			
Cash and cash equivalents	$ 86,121	$ 131,268	$ 143,640
Restricted cash	243,336	206,572	118,422
Flight equipment held for operating leases, net	3,476,501	2,484,850	2,748,347
Notes receivable, net of provisions	195,236	188,616	250,774
Prepayments on flight equipment	157,198	160,624	135,202
Other assets	337,214	294,310	207,769
Total assets	**$ 4,495,606**	**$ 3,466,240**	**$ 3,604,154**
Debt	3,571,178	2,763,666	3,115,492
Other liabilities	803,608	526,486	419,643
Shareholders' equity	120,820	176,088	69,019
Total liabilities and shareholders' equity	**$ 4,495,606**	**$ 3,466,240**	**$ 3,604,154**

Consolidated Balance Sheet Data

	AerCap Holdings N.V.		
	As of December 31, 2005 (adjusted)(1)	As of December 31, 2006 (adjusted)(1)	As of March 31, 2007(1)
	(US dollars in thousands)		
Assets			
Cash and cash equivalents	$ 183,554	$ 131,201	$ 140,103
Restricted cash	157,730	112,277	99,459
Flight equipment held for operating leases, net	2,189,267	2,966,779	3,074,519
Notes receivable, net of provisions	196,620	167,451	166,344
Prepayments on flight equipment	115,657	166,630	150,621
Other assets	218,371	373,698	395,385
Total assets	**$ 3,061,199**	**$ 3,918,036**	**$ 4,026,431**
Debt	2,172,995	2,555,139	2,665,987
Other liabilities	468,443	611,893	546,428
Shareholders' equity	419,761	751,004	814,016
Total liabilities and shareholders' equity	**$ 3,061,199**	**$ 3,918,036**	**$ 4,026,431**

(1) On September 8, 2006, the Financial Accounting Standards Board issued the FSP. The FSP amends certain provisions in the AICPA Industry Audit Guide, "Audit of Airlines", and is applicable for our financial year beginning January 1, 2007. The FSP eliminates the "accrue in advance" methodology in accounting for certain future maintenance payments. As a result of the FSP, our previous method of accruing for the payment of top-up or lessor maintenance contribution obligations at the signing of a lease is no longer permitted. Accordingly, we have adjusted our historical financial statements in accordance with FAS 154 to reflect the application of

the new policy for top-up and lessor maintenance contribution obligations. The effect of the adjustments on net income and retained earnings was $(7,855) and $25,176 for the year ended December 31, 2002; $18,352 and $43,528 for the year ended December 31, 2003; $(1,524) and $42,004 for the year ended December 31, 2004; $(17,907) and $24,097 for the six months ended June 30, 2005; $98 and $98 for the six months ended December 31, 2005; $1,144 and $1,242 for the three months ended March 31, 2006; $20,995 and $21,093 for the year ended December 31, 2006; and $8,514 and $29,607 for the three months ended March 31, 2007. See Note 1 to our audited consolidated financial statements contained in this prospectus.

(2) Includes the accounts of AerCo at December 31, 2002 and the results of operations and cash flows for AerCo during 2002 and the three months ended March 31, 2003. On March 31, 2003, we sold a portion of our interest in AerCo and then deconsolidated it from our financial statements because it was determined that we were no longer the primary beneficiary of AerCo as of March 31, 2003. The amount of total revenue attributable to AerCo in the three months ended March 31, 2003 was $106.4 million (including $72.2 million of other income).

(3) Includes aircraft impairment, investment impairment and goodwill impairment.

(4) We were formed on June 27, 2005; however, we did not commence operations until June 30, 2005, when we acquired all of the shares and certain of the liabilities of AerCap B.V. Our initial accounting period was from June 27, 2005 to December 31, 2005, but we generated no material revenue or expense between June 27, 2005 and June 30, 2005 and did not have any material assets before the 2005 Acquisition. For convenience of presentation only, we have labeled our initial accounting period in the table headings in this prospectus as the six months ended December 31, 2005.

(5) Includes the results of AeroTurbine for the period from April 26, 2006 (the date of the AeroTurbine Acquisition) to December 31, 2006.

(6) Includes share-based compensation expense of $78,635 and $2,447 for the year ended December 31, 2006 and the three months ended March 31, 2007, respectively.

UNAUDITED CONSOLIDATED PRO FORMA FINANCIAL INFORMATION

The following unaudited consolidated pro forma income statements for the year ended December 31, 2006 have been derived by the application of pro forma adjustments to AerCap Holdings N.V.'s audited consolidated financial statements for the year ended December 31, 2006 included in this prospectus and AeroTurbine's audited consolidated financial statements for the period from January 1, 2006 to April 25, 2006 which are not included in this prospectus.

The unaudited consolidated pro forma income statement for the year ended December 31, 2006 gives effect to the AeroTurbine Acquisition and related conforming accounting changes as if they had occurred on January 1, 2006. On April 26, 2006, we acquired all of the existing share capital of AeroTurbine.

The unaudited consolidated pro forma financial information is based on assumptions and reflects adjustments described in the accompanying notes. The unaudited consolidated pro forma financial information is being furnished solely for informational purposes and is not intended to represent or be indicative of the results that we would have reported if the transaction identified above had occurred on the date indicated, nor does it purport to represent the results of operations we will obtain in future periods. The unaudited consolidated pro forma financial information should be read in conjunction with AerCap Holdings N.V.'s audited consolidated financial statements and the related notes included in this prospectus.

Unaudited Consolidated Pro Forma Income Statement—Year Ended December 31, 2006

	AerCap Holdings N.V.	AeroTurbine	AeroTurbine Acquisition		Conforming changes		
	Year ended December 31, 2006 Historic	January 1-April 25, 2006 Historic	January 1-April 25, 2006 Adjustments(1)		Year ended December 31, 2006 Adjustments(2)		Year ended December 31, 2006 Pro Forma
	(US dollars in thousands, except share and per share amounts)						
Revenues							
Lease revenue	$ 443,925	$ 12,668	$ 48	1(a)	$ —		$ 456,641
Sales revenue	301,405	41,138	—		—		342,543
Management fee revenue	14,072	—	—		—		14,072
Interest revenue	34,681	—	—		5	2(a)	34,686
Other revenue	20,336	—	—		56	2(a)	20,392
Total revenues	**814,419**	**53,806**	**48**		**61**		**868,334**
Expenses							
Depreciation	102,387	—	—		2,779	2(b)	105,166
Cost of goods sold	220,277	36,970	3,388	1(b),(c),(e)	(5,901)	2(b)	254,734
Interest on debt	166,219	—	—		5,165	2(a)	171,384
Operating lease in costs	25,232	—	—		—		25,232
Leasing expenses	21,477	—	—		3,653	2(b)	25,130
Provision for doubtful notes and accounts receivable	(186)	—	—		—		(186)
Selling, general and administrative expenses(3)	149,364	7,804	437	1(d)	(531)	2(b)	157,074
Total expenses (income)	**684,770**	**44,774**	**3,825**		**5,165**		**738,534**
Income (loss) from continuing operations before income taxes and other (expenses) income	**129,649**	**9,032**	**(3,777)**		**(5,104)**		**129,800**
Provision for income taxes	(21,246)	—	(58)	1(g)	—		(21,304)
Other (expenses) income	—	(2,569)	(2,535)	1(f)	5,104	2(a)	—
Minority interests net of taxes	588	—	—		—		588
Net income (loss)	**$ 108,991**	**$ 6,463**	**$ (6,370)**		**$ —**		**$ 109,084**
Earnings per share basic	$ 1.38	$ —	$ —		$ —		$ 1.38
Weighted average shares outstanding	78,992,513	—	—		—		78,992,513

1. Unaudited Consolidated Pro Forma Income Statement Adjustments—AeroTurbine Acquisition

The pro forma adjustments relating to the AeroTurbine Acquisition included in the unaudited consolidated pro forma income statement are as follows:

1(a) Adjusted to reflect four months of straight-line amortization ($0.1 million) of a lease deficiency of $0.7 million recognized on the date of the AeroTurbine Acquisition. The lease deficiency represents the present value of contracted lease revenues which are at below market rates for one of AeroTurbine's leases. The amortization period of five years is based on the remaining contractual lease term, including the renewal options that were determined at the time of the AeroTurbine Acquisition to be reasonably assured of being exercised.

1(b) Adjusted to reflect four months of depreciation ($0.8 million) of the $35.8 million fair value adjustment of equipment held for operating lease. The fair value adjustments are depreciated over the remaining estimated useful lives of the underlying assets as of January 1, 2006. The depreciation periods range from four to 15 years, with a weighted average remaining life of 12.6 years.

1(c) Adjusted to reflect four months ($0.8 million) of amortization of the $23.4 million of customer relationship intangible assets, and four months ($0.1 million) of straightline amortization of an FAA license and non-compete agreement. Amortization of the intangible assets related to customer relationships is based on the anticipated sales in the ten years after the AeroTurbine Acquisition of both parts and engines which benefit from such relationships. Approximately 7% of the sales benefiting from the customer relationships are expected to occur in the first year following the AeroTurbine Acquisition. Amortization of the acquired FAA certificate and license is straight-line over 15 years, the remaining estimated useful life of the engine type to which the repair station certificate and license relate. Amortization of the non-compete agreement is straight-line over six years, which is the sum of the terms of the employment agreements for the individuals to which the agreements relate and the term of the non-compete agreements.

1(d) Adjusted to reflect four months ($0.4 million) of the $4.0 million fair value adjustment on AeroTurbine's property and equipment. The depreciation is recorded straight-line over the remaining estimated useful lives of the underlying assets as of January 1, 2006. The depreciation periods range from one to seven years, with a weighted average life of 3.5 years.

1(e) Adjusted to reflect four months ($1.6 million) of amortization of the $13.6 million fair value adjustment to inventory. Based on our historical experience, approximately 52% will be sold in the first 12 months after the AeroTurbine Acquisition.

1(f) Adjusted to reflect the financing of the AeroTurbine Acquisition. The adjustment for the four months reflects the subtraction of $2.7 million of interest expense and debt issuance cost amortization for four months on AeroTurbine's historical indebtedness prior to the AeroTurbine Acquisition; and pro forma inclusion of $4.7 million of interest expense and $0.5 million of debt issuance cost amortization for four months related to the $175.0 million financing incurred to fund the AeroTurbine Acquisition. Interest on the post AeroTurbine Acquisition debt was calculated using a three month LIBOR rate of 5.13% prevailing on the date of the AeroTurbine Acquisition plus a weighted average spread of 2.99%. If interest rates were one-eighth of one percentage point higher or lower, our pro forma interest expense would have increased or decreased, respectively, by approximately $0.1 million for the period from January 1, 2006 to April 25, 2006.

1(g) Adjusted to reflect (i) the tax effect of AeroTurbine's income before tax of $6.5 million for the period from January 1, 2006 to April 25, 2006 ($2.5 million tax expense) as if AeroTurbine had been a taxable corporation for this period and (ii) the tax effect of the pro forma adjustments (a) through (f) above totaling a net loss effect of $6.3 million ($2.4 million tax benefit) for the period from January 1, 2006 to April 25, 2006. The determination of the tax effect on the above items was calculated using AeroTurbine's blended pro forma estimated U.S. federal and state tax rates of 38.58%.

2. Unaudited Consolidated Pro Forma Income Statement Adjustments—Conforming Accounting Changes and Reclassifications

The following conforming accounting changes and reclassifications have been made to align the accounting policies and financial statement line items presented in our financial statements for the year ended December 31, 2006:

2(a) Adjusted to reclassify AeroTurbine's interest expense, interest income and other income historically recorded net within other income (expenses) on its income statement to conform with the consolidated income statement presentation we have adopted for our 2006 consolidated financial statements. AeroTurbine historically recorded these items below income from continuing operations before income taxes. We have historically recorded these items separately in their respective line items (interest on debt, interest revenue and other revenue) and included in income from continuing operations before income taxes and minority interests or operating expenses. These reclassifications to the respective line items were based on the classification provided in AeroTurbine's consolidated income statement for the period from January 1 to April 25, 2006 and adjustment 1(f) to these pro forma financial statements. The following table summarizes the adjustments made to reclassify the amounts previously presented in other income (expenses) to their respective line item within our consolidated income statement presentation:

Adjustments for the year ended December 31, 2006	Interest revenue	Interest on debt	Other revenue	Other (expenses) income
		(US dollars in thousands)		
Reclassify historical interest revenue for AeroTurbine to interest revenue	$ 5	$ —	$ —	$ (5)
Reclassify historical interest expense for AeroTurbine to interest on debt	—	2,630	—	2,630
Reclassify historical other income for AeroTurbine to other revenue	—	—	56	(56)
Reclassify pro forma interest expense for AeroTurbine to interest on debt*	—	2,535	—	2,535
Total	**$ 5**	**$ 5,165**	**$ 56**	**$ 5,104**

* This amount is a reclassification of adjustment 1(f) to these pro forma financial statements.

2(b) Adjusted to reclassify depreciation expenses in the cost of goods sold and selling, general and administrative expenses line items to the depreciation line item and to reclassify leasing expenses in the cost of goods sold line item to leasing expenses. AeroTurbine historically recorded depreciation of leased engines and leasing expenses associated with such engines and aircraft as part of cost of goods sold. In addition, AeroTurbine has recorded depreciation of property and equipment as selling, general and administrative expenses. The following table summarizes the adjustments made to reclassify the amounts to the line items described above:

Adjustments for the year ended December 31, 2006	Depreciation	Cost of goods sold	Selling, general and administrative	Leasing expenses
		(US dollars in thousands)		
Reclassify historical depreciation on leased engines for AeroTurbine	$ 1,411	$ (1,411)	$ —	$ —
Reclassify historical leasing expenses for AeroTurbine	—	(3,653)	—	3,653
Reclassify pro forma depreciation of fair value adjustment on leased engines for AeroTurbine	837	(837)	—	—
Reclassify historical depreciation in selling, general and administrative expenses for AeroTurbine	150	—	(150)	—
Reclassify pro forma depreciation of fair value adjustment of property and equipment for AeroTurbine	381	—	(381)	
Total	**$ 2,779**	**$ (5,901)**	**$ (531)**	**$ 3,653**

3. As a result of the expected redemption of the Bermuda Parent's ordinary shares and vested options held by certain members of our senior management and of our Board of Directors and an employee of Cerberus with the proceeds of this offering and assuming the underwriters do not exercise their overallotment option, an amount of approximately $2.9 million of share-based compensation charges will be accelerated and recognized at the time of the offering. Due to the non-recurring nature of this adjustment, no pro forma adjustment has been included.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read this discussion in conjunction with our audited and unaudited consolidated financial statements and the related notes included in this prospectus. Our financial statements are presented in accordance with generally accepted accounting principles in the United States of America, or U.S. GAAP. The discussion below contains forward looking statements that are based upon our current expectations and are subject to uncertainty and changes of circumstances. See "Risk Factors" and "Special Note About Forward Looking Statements".

Overview

We are an integrated global aviation company with a leading market position in aircraft and engine leasing, trading and parts sales. We also provide aircraft management services and perform aircraft and engine MRO services and aircraft disassemblies through our certified repair stations.

We operate our business on a global basis, providing aircraft, engines and parts to customers in every major geographical region. As of March 31, 2007, we owned 140 aircraft and 65 engines, managed 98 aircraft, had 95 new aircraft and three new engines on order, had entered into a purchase contract for two new aircraft and had executed letters of intent to purchase an additional six aircraft.

As of March 31, 2007, our owned and managed aircraft and engines were leased to 105 commercial airline and cargo operator customers in 46 countries and were managed from our offices in The Netherlands, Ireland and the United States. We expect to expand our leasing activity in Asia and in China in particular through our AerDragon joint venture with China Aviation Supplies Import & Export Group Corporation, which commenced operations in October 2006.

We have the infrastructure, expertise and resources to execute a large number of diverse aircraft and engine transactions in a variety of market conditions. Our teams of dedicated marketing and asset trading professionals have been successful in leasing and trading our aircraft and engine portfolios. From January 1, 2003 to March 31, 2007, we executed over 1,100 aircraft and engine transactions, including 283 aircraft leases, 275 engine leases, 158 aircraft purchase or sale transactions, 204 engine purchase or sale transactions and the disassembly of 54 aircraft and 139 engines. Between January 1, 2003 and March 31, 2007, our weighted average owned aircraft utilization rate was 98.6%.

Joint Ventures

We expect to conduct an increasing portion of our business in the future through joint ventures. Entering into joint venture arrangements allows us to:

- order new aircraft and engines in larger quantities to increase our buying power and economic leverage;
- increase the diversity of our portfolio;
- obtain stable servicing revenues; and
- diversify our exposure to the economic risks related to aircraft and engine purchases.

AerVenture. In December 2005, we established AerVenture. In January 2006, LoadAir, a subsidiary of Al Fawares, an investment and construction company based in Kuwait City, purchased a 50% equity interest in AerVenture. We have invested $25.0 million in AerVenture and LoadAir has invested $25.0 million in AerVenture. We have each agreed to make additional equity contributions of up to $90.0 million. We consolidate AerVenture's financial results in our financial statements. We have developed AerVenture as a joint venture because this structure allows us to leverage our buying power to achieve more favorable aircraft acquisition terms. We have entered into exclusive agreements to

provide management and marketing services to AerVenture in return for aircraft management fees and specified incentive fees which are tied to the profitability of AerVenture. Payments under these agreements will not provide any additional revenues as a result of consolidation. Our management and marketing services agreement may not be terminated by AerVenture until 2014, other than for cause. Due to the size of its order of 70 A320 family aircraft from Airbus, we expect AerVenture to become an important growth driver of our business.

AerDragon. In May 2006, we signed a joint venture agreement with China Aviation Supplies Import & Export Group Corporation and affiliates of Calyon S.A. establishing AerDragon. AerDragon consists of two companies, Dragon Aviation Leasing Company, Limited, or Dragon Aviation, based in Beijing with a registered capital of $10.0 million and AerDragon Aviation Partners Limited, based in Ireland with a registered capital of $50.0 million. AerDragon is 50% owned by China Aviation and 25% owned by each of us and Calyon. Following receipt of the local Chinese approvals required for it to begin operations, AerDragon commenced operations in October 2006. We act as the exclusive aircraft manager for the joint venture. This contract may be terminated upon the earlier to occur of either July 1, 2009, or the occurrence of specified events, such as AerDragon developing the expertise to manage its own aircraft. In the future, one of the main sources of aircraft for AerDragon is likely to be the acquisition of aircraft through sale leaseback transactions with Chinese airlines. This joint venture enhances our presence in the increasingly important China market and will enhance our ability to lease and sell our aircraft and engines throughout the entire Asia-Pacific region. We do not consolidate AerDragon's financial results in our financial statements. AerDragon acquired its first aircraft, an Airbus A320 aircraft, from us in February 2007.

Annabel and Bella. In 2005, we signed a joint venture agreement with Deucalion Capital Limited, or Deucalion, to form the Annabel joint venture in which we hold a 25% equity interest. Annabel purchased a used Airbus A340 aircraft in 2005. The aircraft is on lease to Sri Lanka Airlines through 2008. In 2006, we signed a joint venture agreement with Deucalion to form the Bella joint venture in which we hold a 50% equity interest. Bella purchased two used Airbus A330-300 aircraft in April 2006, one of which is on lease through 2009 and one of which is on lease through 2013. We receive fee income for providing aircraft management services to both Annabel and Bella. We consolidate Bella's financial results in our financial statements but do not consolidate Annabel's financial results in our financial statements. We do not expect these joint ventures to acquire additional aircraft.

We use the equity method to account for joint ventures that we do not consolidate.

Factors Affecting our Results

Our results of operations have been affected by a variety of factors, primarily:

- the number, type, age and condition of the aircraft and engines we own;
- aviation industry market conditions;
- the demand for our aircraft and engines and the resulting lease rates we are able to obtain for our aircraft and engines;
- the purchase price we pay for our aircraft and engines;
- the number, types and sale prices of aircraft and engines we sell in a period;
- the ability of our lessee customers to meet their lease obligations and maintain our aircraft and engines in airworthy and marketable condition;
- the utilization rate of our aircraft and engines;

- the recognition of non cash stock based compensation expense related to the issuance by our Bermuda Parents of restricted stock and stock options to our employees and our non executive directors; and

- interest rates which affect our aircraft lease revenues and our interest on debt expense.

Factors Affecting the Comparability of Our Results

Our Acquisition by Cerberus

On June 30, 2005, AerCap Holdings C.V., a Netherlands partnership owned by Cerberus acquired all of AerCap B.V.'s (formerly known as debis AirFinance B.V.) shares and $1.8 billion of liabilities owed by AerCap B.V. to its prior shareholders. AerCap Holdings C.V. paid total consideration of $1.4 billion for AerCap B.V.; $370 million of the total consideration paid by AerCap Holdings C.V. was funded through equity contributions by Cerberus and $1.0 billion was funded through a term loan. The 2005 Acquisition resulted in a net decrease of $802.0 million of indebtedness on our balance sheet—the difference between the $1.8 billion of intercompany liabilities and the indebtedness incurred to fund the acquisition. In accordance with FAS 141, *Business Combinations*, we allocated the purchase consideration to the assets acquired and liabilities assumed based on their fair values. Since the purchase consideration of $1.4 billion was less than the $1.9 billion combined carrying value of the liabilities and the equity purchased by Cerberus, the purchase price allocation resulted in lower carrying values for our assets after the 2005 Acquisition. The carrying values of our assets and liabilities influence our results of operations and, accordingly, the net decrease in asset carrying values, which resulted from the 2005 Acquisition, has resulted in improved operating performance when compared to periods prior to the 2005 Acquisition.

The material impacts on our consolidated income statement of the 2005 Acquisition relate to purchase accounting adjustments in our assets which are reflected in lower depreciation expense and lower cost of goods sold due to reduced net book values, and in lower interest on debt expense due to the elimination of $802.0 million of debt as described in the preceding paragraph. Other than the corresponding effect on income from continuing operations before provision for income taxes and net income, the 2005 Acquisition did not materially impact any of the other line items in our consolidated income statement.

Acquisition of AeroTurbine

On April 26, 2006, we acquired all of the existing share capital of AeroTurbine, Inc. an engine trading and leasing and part sales company. We acquired AeroTurbine to implement our strategy of managing aircraft profitably throughout their lifecycle, to diversify our investment in aviation assets and to obtain a more significant presence in the market for older aircraft equipment. The total payment for the AeroTurbine shares of $144.7 million, including acquisition expenses, was funded through cash from our operations of $70.9 million and $73.8 million of cash raised from a refinancing of AeroTurbine's existing debt. The new financing totaled $175.0 million and included $160.0 million of senior secured debt and a $15.0 million subordinated loan guaranteed by AerCap B.V. We used the net proceeds from our initial public offering for the prepayment of the senior and subordinated debt at AeroTurbine.

In accordance with FAS 141, *Business Combinations*, we allocated the purchase price paid to the assets acquired and liabilities assumed based on their fair values. Since the purchase consideration of $144.7 million was greater than the $82.1 million combined carrying value of the assets purchased and liabilities assumed by us, the purchase price allocation resulted in higher carrying values for the AeroTurbine assets as well as $25.6 million of intangible assets and goodwill of $38.2 million. The increase in net book values of assets and intangible assets will be reflected in higher depreciation and amortization expense in future periods than would have occurred without the acquisition. The inclusion of AeroTurbine in our consolidated results has increased our lease and sales revenue and cost of goods

sold through the addition of $249.5 million and $229.4 million of combined flight equipment and inventory in our December 31, 2006 and March 31, 2007 consolidated balance sheets, respectively. In addition, the interest on AeroTurbine's debt has increased our consolidated interest expense. The inclusion of AeroTurbine's operations has also increased our selling, general and administrative expenses and we recognized $62.4 million of share-based compensation, net of taxes, in our consolidated selling, general and administrative expenses for the year ended December 31, 2006 related to restricted shares, of the Bermuda Parents sold by Cerberus to the selling shareholders of AeroTurbine, in connection with the AeroTurbine Acquisition.

Prior to the AeroTurbine Acquisition, we operated our business as one reportable segment: leasing, financing, sales and management of commercial aircraft. From the date of the AeroTurbine Acquisition, we manage our business and analyze and report our results on the basis of two business segments: leasing, financing, sales and management of commercial aircraft ("Aircraft") and leasing, financing and sales of engines and parts ("Engines and Parts").

Stock Compensation Expenses

Our financial results for the year ended December 31, 2006 include a charge of $68.3 million, net of tax of $10.3 million for non-cash share-based compensation expense related to the vesting of options and restricted stock previously granted or sold to the owners of AeroTurbine at the time of its acquisition by us and to members of our senior management, our non-executive directors and an employee of Cerberus primarily in connection with the 2005 Acquisition. While we will continue to recognize some additional non-cash, share-based compensation in connection with these options and restricted shares (excluding the shares sold to the owners of AeroTurbine), those charges are not expected to be of a similar magnitude as those recognized in 2006. We recognized a share-based compensation charge of $1.9 million, net of tax of $0.5 million, in the three months ended March 31, 2007.

Goodwill Impairment

In 2004, we recorded an impairment of all of our existing goodwill of $132.4 million as a result of our annual goodwill impairment test. We calculate our valuation using a discounted cash flow approach that considers all of our existing assets and liabilities as well as our business plans. Based on the factors described below, in 2004 our goodwill impairment analysis resulted in the impairment of all of our then existing goodwill. In years prior to the 2005 Acquisition, our ability to grow and make additional aviation investments was primarily controlled by our prior shareholders who were also our primary source of debt funding. In 2004, we signed a new $1.6 billion facility agreement with our prior shareholders to refinance all of our previous senior debt contracted with them. The new facility agreement included significant constraints on our operations and our ability to make additional investments and required that a substantial amount of internally generated cash from asset sales be used to pre-pay our obligations under the facility agreement. In 2004, our shareholders also indicated that they were not willing to invest additional equity capital in us. We revised our discounted cash flow projection downward in 2004 to reflect these factors. In addition, we were aware that our shareholders were in discussions to sell their stake in us for consideration significantly less than our net equity value. As a result of our analysis, we recorded a $132.4 million impairment to write down all of our then existing goodwill in 2004.

Critical Accounting Policies Applicable to Us

Our Management's Discussion and Analysis of Financial Condition and Results of Operations is based upon our consolidated financial statements, which have been prepared in accordance with U.S. GAAP, and require us to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The use of estimates is or could be a

significant factor affecting the reported carrying values of flight equipment, investments, trade and notes receivable, deferred tax assets and accruals and reserves. Our estimates and assumptions are based on historical experiences and currently available information. We utilize professional appraisers and valuation experts, where possible, to support our estimates, particularly with respect to flight equipment. Despite our best efforts, actual results may differ from our estimates under different conditions, sometimes materially. A summary of our significant accounting policies is presented in Note 2 to our audited consolidated financial statements included elsewhere in this prospectus. Critical accounting policies and estimates are defined as those that are both most important to the portrayal of our financial condition and results of operations and require our most subjective judgments, estimates and assumptions. Our most critical accounting policies and estimates are described below.

Lease Revenue Recognition

We lease flight equipment principally under operating leases and report rental income on a straight-line basis over the life of the lease as it is earned. Virtually all of our lease contracts require payment in advance. Rents collected in advance of when they are earned are recorded as deferred revenue on our balance sheet and recorded as lease revenue as they are earned. Provisions for doubtful notes and accounts receivables are recorded in the income statement when rentals become past-due and the rentals exceed security deposits held, except where it is anticipated that the lease will end in repossession and then provisions are made regardless of the level of security deposits. Our management monitors the status of customers and the collectability of their receivables based on factors such as the customer's credit worthiness, payment performance, financial condition and requests for modifications of lease terms and conditions. Customers for whom collectability is not reasonably assured are placed on non-accrual status and revenue is recorded on a cash basis. When our management deems the collectability to be reasonably assured, based on the above factors, the customer is removed from non-accrual status and revenue is recognized on an accrual basis. As described below under "Accrued Maintenance Liability", revenue from supplemental maintenance rent is recognized when we are no longer legally obligated to refund such rent to our customer, which normally coincides with lease termination or where the terms of the lease allow us to control the occurrence, timing or amount of such reimbursement.

Depreciation and Amortization

Flight equipment held for operating leases, including aircraft, is recorded on our balance sheet at cost less accumulated depreciation and impairment. Aircraft are depreciated over the assets' useful life, which is 25 years from the date of manufacture for substantially all of our aircraft, using the straight-line method to estimated residual values. Estimated residual values are generally determined to be approximately 15% of the manufacturer's price.

We depreciate current production model engines on a straight-line basis over a 15-year period from the acquisition date to an estimated residual value. We estimate residual values of current production model engines based on observed current market prices and management expectations of value trends. Out-of-production engines are depreciated on a straight-line basis over an estimated useful life ranging from five to seven years to an estimated residual value. The carrying value of flight equipment that we designate for disassembly is transferred to our inventory pool and is held for sale at the time of such designation. We discontinue the depreciation of our flight equipment when it is held as inventory. Differences between our estimates of useful lives and residual values and actual experience may result in future impairments of aircraft or engines and/or additional gains or losses upon disposal. We review residual values of aircraft and engines periodically based on our knowledge of current residual values and residual value trends to determine if they are appropriate and record adjustments as necessary.

Intangibles related to customer relationships are amortized over ten years, which is the length of time that we expect to benefit from existing customer relationships. The amortization in each year is based on the anticipated sales in each year which benefit from such relationships. Our FAA certificate is amortized straight-line over 15 years, the remaining estimated useful life of the engine type to which the repair station certificate relates. Amortization of the non-compete agreement is straight-line over six years, which is the sum of the term of the employment agreements of the related individuals and the term of the non-compete agreements.

Inventory

Inventory, which consists exclusively of finished goods, is valued at the lower of cost or market. Cost is primarily determined using the specific identification method for individual part purchases and whole engines and on an allocated basis for dismantled engines, aircraft, and bulk inventory purchases using the relationship of the cost of the dismantled engine, aircraft or bulk inventory purchase to estimated remaining sales value at the time of purchase. We evaluate the carrying value of inventory on a regular basis in order to account for any permanent impairment in values. We estimate market value for this purpose based on internal estimates of sales values and recent sales activity of similar inventory.

Impairments

In accordance with FAS 144, *Accounting for the Impairment or Disposal of Long-Lived Assets* , our flight equipment held for operating lease and definite lived intangible assets are evaluated for impairment when events and circumstances indicate that the carrying amounts of those assets may not be recoverable. The review for recoverability includes an assessment of the estimated future cash flows associated with the use of an asset and its eventual disposition. If the sum of the expected future cash flows (undiscounted and without interest charges) is less than the carrying amount of the asset, an impairment loss is recognized. The loss is measured as the excess of the carrying amount of the impaired asset over its fair value. Fair value reflects the present value of cash expected to be received from the asset in the future, including its expected residual value discounted at a rate commensurate with the associated risk. Future cash flows are assumed to occur under then current market conditions and assume adequate time for a sale between a willing buyer and a willing seller. Expected future lease rates are based on all relevant information available, including current contracted rates for similar assets, appraisal data and industry trends. Residual value assumptions generally reflect an asset's booked residual, except where more recent industry information indicates a different value is appropriate.

In accordance with FAS 142, *Goodwill and Other Intangible Assets*, we evaluate any goodwill and indefinite lived intangible assets for impairment at the reporting unit level each year or upon the occurrence of events or circumstances that indicate that the asset may be impaired. We determine the fair value of our reporting units using discounted cash flow and earnings multiples valuation methodologies. When our valuation suggests that the fair value of our reporting unit is less than our net equity, we determine the amount of implied goodwill by allocating the fair value of the reporting unit to our assets and liabilities as we would in purchase accounting and adjust our goodwill to its implied value through an impairment entry. If we fail to meet our forecasted future cash flows or if weak economic conditions prevail in our primary markets, the estimated fair values of our reporting unit may be adversely affected, resulting in impairment charges.

Allocation of Purchase Price to Acquired Assets

We account for business combinations in accordance with FAS 141, *Business Combinations.* We apply the purchase price of all acquisitions to the fair value of acquired assets and liabilities, including identifiable intangible assets and liabilities. To determine fair value, we utilize a combination of third

party appraisers, our own recent experience in the market place and discounted cash flow analyses. Our discounted cash flow analyses require us to make estimates and assumptions of the future use of these assets and their impact on our financial position. We apply a discount rate to each different asset or liability based on prevailing interest rates and the underlying credit of the obligor.

Accrued Maintenance Liability

On September 8, 2006, the Financial Accounting Standards Board issued the FSP No. AUG AIR-1 "*Accounting for Planned Major Maintenance Activities*" (the "FSP"). The FSP amends certain provisions in the AICPA Industry Audit Guide, "Audit of Airlines", and is applicable for our financial year beginning January 1, 2007.

In all of our leases, lessees are responsible for maintenance and repairs of our flight equipment and related expenses during the term of the lease. In many operating lease and finance lease contracts, the lessee has the obligation to make periodic payments of supplemental rent which are calculated with reference to the utilization of airframes, engines and other major life-limited components during the lease. In the majority of these types of leases, we do not recognize such supplemental rent received as revenue, but as an accrued maintenance liability. In these leases, upon lessee presentation of invoices evidencing the completion of qualifying maintenance on the flight equipment, we make a payment to the lessee up to the amount of supplemental rents collected and charge such payment against the existing accrued maintenance liability. In shorter-term lease contracts (primarily engine lease contracts) where the terms of the lease are designed specifically to allow us to directly manage the occurrence, timing and associated cost of qualifying maintenance work on the flight equipment, we recognize supplemental rents collected during the lease as lease revenue and not as accrued maintenance liability. For flight equipment subject to these shorter-term contracts, we record a charge to leasing expenses at the time maintenance work is performed on the flight equipment.

In most lease contracts not requiring the payment of supplemental rents, the lessee is required to re-deliver the aircraft in a similar maintenance condition (normal wear and tear excepted) as when accepted under the lease, with reference to major life-limited components of the aircraft. To the extent that such components are redelivered in a different condition than at acceptance, there is normally an end-of-lease compensation adjustment for the difference at redelivery. We recognize receipts of end-of-lease compensation adjustments as lease revenue when received and payments of end-of-lease adjustments as leasing expenses when paid.

In addition, in both types of contracts, we may be obligated to make additional payments to the lessee for maintenance related expenses (lessor maintenance contributions or top-ups) primarily related to usage of major life-limited components occurring prior to the lease. We record a charge to leasing expenses at the time of the occurrence of a lessor contribution or top-up payment, except in instances where we have established an accrual as an assumed liability for such payment in connection with the purchase of an aircraft with a lease attached, in which case such payments are charged against the existing accrual.

For all of our lease contracts, any amounts of accrued maintenance liability existing at the end of a lease are released and recognized as lease revenue at lease termination. When flight equipment is sold, the portion of the accrued maintenance liability which is not specifically assigned to the buyer is released from the balance sheet and recognized as sales revenue as part of the sale of the flight equipment.

Consolidation

We consolidate all companies in which we have direct or indirect legal or effective control and all variable interest entities for which we are deemed the primary beneficiary under FIN 46R. Consolidated entities include certain joint ventures such as our AerVenture and Bella joint ventures,

our Aircraft Lease Securitisation securitization vehicle and our AerFunding financing vehicle, but exclude AerDragon and Annabel. The determination of which entities are variable interest entities and of which variable interest entities we are the primary beneficiary involves the use of significant estimates, including whether the entity has sufficient equity to finance its activities without additional subordinated financial support and the expected cash flows to the entity and distributions of those cash flows in the future. We estimate expected cash flows based on the variable interest entities' contractual rights and obligations as well as reasonable expectations for future business developments. We then adjust these cash flow estimates to simulate possible changes in economic trends which could impact the variable interest entity to determine which entity will absorb a majority of the variability in order to determine if we are the primary beneficiary of the variable interest entity.

Deferred Income Taxes

We provide for income taxes according to FAS 109, *Accounting for Income Taxes*. We have significant tax loss carryforwards in certain of our subsidiaries. We evaluate valuation allowances for tax losses at the individual company level or consolidated tax group level in accordance with the tax law in the specific jurisdiction. We evaluate the potential for recovery of our tax losses by estimating the future taxable profits expected from each subsidiary and considering prudent and feasible tax planning strategies. In estimating future taxable profits, we consider all current contracts and assets of the business, as well as a reasonable estimation of future taxable profits achievable by us. If we are not able to achieve the level of projected taxable profits used in our assessment, and no tax planning strategies are available to us, an additional valuation allowance may be required against our tax assets with a corresponding charge to our income statement in the future.

Financial Period Convention

AerCap Holdings C.V. (the predecessor to AerCap Holdings N.V.) was formed on June 27, 2005; however, it did not commence operations until June 30, 2005, when it acquired all of the shares and certain of the liabilities of AerCap B.V. AerCap Holdings C.V.'s initial accounting period was from June 27, 2005 to December 31, 2005 but it generated no material revenue or expense between June 27, 2005 and June 30, 2005, and did not have any material assets before the 2005 Acquisition. For convenience of presentation only, we have labeled AerCap Holdings C.V.'s initial accounting period in table headings in this prospectus as the six months ended December 31, 2005. In addition, for presentation purposes in this Management's Discussion and Analysis of Financial Condition and Results of Operations, we have combined the six months ended June 30, 2005 of AerCap B.V., our predecessor, with AerCap Holdings C.V.'s initial accounting period into a 12 month period ended December 31, 2005. The financial information presented for this combined period reflects the addition, with no adjustments, of the results of AerCap B.V. for the six months ended June 30, 2005 and for AerCap Holdings C.V.'s initial accounting period ended December 31, 2005. The combined period information is included as a combined presentation since it is the way our management analyzes our business results. This combined presentation, however, is not in accordance with U.S. GAAP and should be considered as supplemental information only.

Revenues

Our revenues consist primarily of lease revenue from aircraft and engine leases, sales revenue, management fee revenue and interest revenue.

Lease Revenue

Nearly all of our aircraft and engine lease agreements provide for the payment of a fixed, periodic amount of rent or a floating, periodic amount of rent tied to interest rates during the term of the lease. In limited circumstances, our leases may require a basic rental payment based partially or exclusively on

the amount of usage during a period. In addition, we recognize revenue at lease termination when we collect end-of-lease compensation payments or release accrued maintenance liabilities which are not required to be paid to the lessee. The amount of lease revenue we recognize is primarily influenced by five factors:

- the contracted lease rate, which is highly dependent on the age, condition and type of the leased equipment;
- for leases with rates tied to floating interest rates, interest rates during the term of the lease;
- the number, type, condition and age of flight equipment subject to lease contracts;
- the lessee's performance of their lease obligations; and
- the amount of end-of-lease compensation payments we receive and the amount of accrued maintenance liabilities released to revenue at the end of a lease.

In addition to aircraft or engine specific factors such as the type, condition and age of the asset, the lease rates for our leases with fixed rental payments are determined in part by reference to the prevailing interest rate for a debt instrument with a term similar to the lease term and with a similar credit quality as the lessee at the time we enter into the lease. Many of the factors described in the bullet points above are influenced by global and regional economic trends, airline market conditions, the supply and demand balance for the type of flight equipment we own and our ability to remarket flight equipment subject to expiring lease contracts under favorable economic terms.

We operate our business on a global basis. As of March 31, 2007, we had 133 aircraft on lease (excluding four aircraft that we intend to disassemble or sell at the end of their leases) to 57 customers in 35 countries, with no lessee accounting for more than 10% of lease revenue in the year ended December 31, 2006 and the three months ended March 31, 2007. The following table shows the regional profile of our lease revenue for the periods indicated:

	AerCap B.V.		AerCap Holdings N.V.		
	Year ended December 31, 2004	Six months ended June 30, 2005	Six months ended December 31, 2005	Year ended December 31, 2006	Three months ended March 31, 2007
Asia-Pacific	35%	43%	44%	43%	33%
Europe	36	33	33	35	37
North America/Caribbean	21	18	18	15	21
Latin America	7	6	5	7	9
Africa/Middle East	1	—	—	—	—
Total	**100%**	**100%**	**100%**	**100%**	**100%**

The geographical concentration of our customer base has varied historically, reflecting the opportunities available in particular markets at a given time.

Sales Revenue

Our sales revenue is generated from the sale of our aircraft, engines, and inventory. The price we receive for our aircraft, engines and inventory is largely dependent on the condition of the asset being sold, prevailing interest rates, airline market conditions and the supply and demand balance for the type of asset we are selling. Before the 2005 Acquisition, we primarily sold older Fokker, Airbus and Boeing aircraft. After the 2005 Acquisition, we began focusing on aircraft trading and began opportunistically selling newer Airbus and Boeing aircraft. As a result, our sales revenue has increased significantly after the 2005 Acquisition. The timing of the closing of aircraft and engine sales is often uncertain, as a sale may be concluded swiftly or negotiations may extend over several weeks or months.

As a result, even if sales are comparable over a long period of time, during any particular fiscal quarter or other reporting period we may close significantly more or fewer sale transactions than in other reporting periods. Accordingly, sales revenue recorded in one fiscal quarter or other reporting period may not be comparable to sales revenue in other periods.

Management Fee Revenue

We generate management fee revenue through a variety of management services that we provide to non-consolidated aircraft securitization vehicles and joint ventures and third party owners of aircraft. Our management services include leasing and remarketing services, cash management and treasury services, technical advisory services and accounting and administrative services. We currently generate almost three quarters of our management fee income from services we provide to two securitization vehicles, Airplanes Group and AerCo. Since Aircraft Lease Securitisation's results are consolidated in our financial statements, we do not generate any accounting revenue from the services we provide to it.

Interest Revenue

Our interest revenue is derived primarily from deposit interest on unrestricted and restricted cash balances and interest recognized on financial instruments we hold, such as notes issued by lessees in connection with lease restructurings and subordinated debt investments in unconsolidated securitization vehicles or affiliates. The amount of interest revenue we recognize in any period is influenced by the amount of free or restricted cash balances, the principal balance of financial instruments we hold, contracted or effective interest rates, and movements in provisions for financial instruments which can affect adjustments to valuations or provisions.

Other Revenue

Our other revenue includes net gains or losses we generate from the sale of aircraft related investments, such as our subordinated interests in securitization vehicles and notes, warrants or convertible securities issued by our lessees, which we receive from lessees as compensation for amounts owed to us in connection with lease restructurings. The amount of other revenue recognized in any period is influenced by the number of saleable financial instruments we hold, the credit profile of the obligor and the demand for such investments in the market at the time. Since there is limited or no market liquidity for some of the securities we receive in connection with lease restructurings, making the securities difficult to value, and because many of the issuers of the securities are in a distressed financial condition, we may experience volatility in our revenues when we sell our aircraft related investments due to significant changes in their value.

Operating Expenses

Our primary operating expenses consist of depreciation, interest on debt, other operating expenses and selling, general and administrative expenses.

Depreciation

We depreciate our aircraft on a straight-line basis over the asset's useful life, which is 25 years from the date of manufacture for substantially all of our aircraft, to an estimated residual value. We depreciate current production model engines on a straight-line basis over a 15-year period from the acquisition date to an estimated residual value. Out-of-production engines are depreciated on a straight-line basis over an estimated useful life ranging from five to seven years to an estimated residual value. Our depreciation expense is influenced by the adjusted gross book values of our flight equipment, the depreciable life of the flight equipment and the estimated residual value of the flight equipment. Adjusted gross book value is the original cost of our flight equipment, including purchase

expenses, adjusted for subsequent capitalized improvements, impairments, and accounting basis adjustments associated with business combinations.

Cost of Goods Sold

Our cost of goods sold consists of the net book value of flight equipment, including inventory, sold to third parties at the time of the sale. Before the 2005 Acquisition, we primarily sold older Fokker, Airbus and Boeing aircraft. After the 2005 Acquisition, we began focusing on aircraft trading and began opportunistically selling newer Airbus and Boeing aircraft. As a result, our cost of good sold has increased significantly after the 2005 Acquisition.

Interest on Debt

Our interest on debt expense arises from a variety of funding structures and related derivative instruments as described in "Indebtedness". Interest on debt expense in any period is primarily affected by contracted interest rates, principal amounts of indebtedness, including notional values of derivative instruments and unrealized mark-to-market gains or losses on derivative instruments. Since we recognize mark-to-market gains and losses on our derivative instruments, our interest on debt expense may fluctuate significantly from one period to another due to changes in market interest rates. Accordingly, interest on debt expense recorded in one fiscal quarter or other reporting period may not be comparable to interest on debt expense in other periods.

Other Operating Expenses

Our other operating expenses consist primarily of operating lease-in costs, leasing expenses and provision for doubtful notes and accounts receivable.

Our operating lease-in costs relate to our lease obligations for aircraft we lease from financial investors and sublease to aircraft operators. We entered into all of our lease-in transactions between 1988 and 1992 and these leases expire between 2008 and 2012. As described in Note 16 to our consolidated financial statements included in this prospectus, we have established an onerous contract accrual equal to the difference between the present value of our lease expenses and the sublease revenue we receive, discounted at appropriate discount rates. The amount of this liability amortizes monthly as a reduction of operating lease-in costs on a constant yield basis as we meet our obligations to the aircrafts' legal owners under the applicable leases.

Our leasing expenses consist primarily of maintenance expenses on our flight equipment, which we incur when our flight equipment is off lease, lessor maintenance contribution expenses, technical expenses we incur to monitor the maintenance condition of our flight equipment during a lease, end of lease compensation payments, expenses to transition flight equipment from an expired lease to a new lease contract and non-capitalizable flight equipment transaction expenses. As indicated in our unaudited condensed consolidated interim income statements for the three months ended March 31, 2006 and 2007 and our audited consolidated income statements for the year ended December 31, 2004, the six months ended June 30, 2005, the six months ended December 31, 2005 and the year ended December 31, 2006 included in this prospectus, we have adjusted leasing our expenses in each period in connection with our adoption of FSP No. AUG AIR-1 "*Accounting for Planned Major Maintenance Activities*" issued on September 8, 2006, by the Financial Standards Board (the "FSP").

Our provision for doubtful notes and accounts receivable consists primarily of provisions we establish to reduce the carrying value of our notes and accounts receivables to estimated collectible levels.

The primary factors affecting our other operating expenses are:

- lessee defaults, which may result in additional provisions for doubtful notes and accounts receivable, material expenses to repossess flight equipment and restore it to an airworthy and marketable condition, unanticipated lease transition costs, and an increase to our onerous contract accrual;
- the amount of lessor maintenance contribution payments we are required to make; and
- the frequency of lease transitions and the associated costs.

Selling, General and Administrative Expenses

Our principal selling, general and administrative expenses consist of personnel expenses, including salaries, share-based compensation charges, employee benefits, professional and advisory costs and office and travel expenses as summarized in Note 23 to our audited consolidated financial statements included in this prospectus. The level of our selling, general and administrative expenses is influenced primarily by our number of employees and the extent of transactions or ventures we pursue which require the assistance of outside professionals or advisors. Our selling, general and administrative expenses also include the mark-to-market gains and losses for our foreign exchange rate hedges related to our Euro denominated selling, general and administrative expenses.

Provisions for Income Taxes

Our operations are taxable primarily in four main jurisdictions in which we manage our business: The Netherlands, Ireland, the United States and Sweden. Deferred income taxes are provided to reflect the impact of temporary differences between our U.S. GAAP income from continuing operations before income taxes and minority interests and our taxable income. Our effective tax rate has varied significantly year to year from 2003 to 2006. The primary source of temporary differences is the availability of accelerated tax depreciation in our primary operating jurisdictions. Our effective tax rate in any year depends on the tax rates in the jurisdictions from which our income is derived along with the extent of permanent differences between U.S. GAAP income from continuing operations before income taxes and minority interests and taxable income.

We have substantial tax losses in certain jurisdictions which can be carried forward, which we recognize as tax assets. We evaluate the recoverability of tax assets in each jurisdiction in each period based upon our estimates of future taxable income in those jurisdictions. If we determine that we are not likely to generate sufficient taxable income in a jurisdiction prior to expiration, if any, of the availability of tax losses, we establish a valuation allowance against the tax loss to reduce the tax asset to its recoverable value. We evaluate the appropriate level of valuation allowances annually and make adjustments as necessary. Increases or decreases to valuation allowances can affect our provision for income taxes on our consolidated income statement and consequently may affect our effective tax rate in a given year. The consummation of this offering will give rise to an "ownership change" for U.S. federal income tax purposes. This ownership change will create an annual limitation on our ability to utilize some of our U.S. tax net operating loss carryforwards against the taxable income of our U.S. subsidiaries. Notwithstanding this limitation, we believe that we will be able to utilize all U.S. tax net operating loss carryforwards that are valued as tax assets on our balance sheet prior to the expiration of those loss carryforwards.

Recent Developments

On May 8, 2007, Aircraft Lease Securitisation completed a refinancing of its securitized notes with the issuance of $1.66 billion of AAA-rated class G-3 floating rate notes. The proceeds from the issuance of these notes were used to redeem all of the outstanding Aircraft Lease Securitisation debt,

other than the most junior class of notes, to refinance the indebtedness that had been incurred to purchase 24 previously acquired aircraft, and to finance the purchase of four additional new aircraft, increasing Aircraft Lease Securitisation's aircraft portfolio size to 70 aircraft. The class G-3 notes bear an interest rate of one-month LIBOR plus 26 basis points. Concurrently with the Aircraft Lease Securitisation refinancing, our revolving credit facility was amended and restated, resulting in a reduced interest rate spread and a two-year extension of the revolving period. The size of our revolving credit facility remains $1.0 billion. As a result of the Aircraft Lease Securitisation refinancing and the amendment to our revolving credit facility, we expect to report a non-recurring expense in the second quarter of 2007 of approximately $27 million for the write-off of unamortized debt issuance costs related to the refinanced debt, costs related to the prepayment of the prior Aircraft Lease Securitisation notes and other related fees.

During the three months ended June 30, 2007, in addition to sales of parts inventory and one aircraft by our subsidiary, AeroTurbine, we sold one Airbus A321 aircraft and one Boeing 737-400 aircraft, both of which were previously classified as flight equipment held for operating leases. Sales revenue resulting from the sale of these two aircraft totaled $57.4 million. The cost of goods sold related to the sale of these two aircraft totaled $37.8 million. During the three months ended June 30, 2007, we took delivery of one Airbus A320-200 aircraft, one A319-100 aircraft and one Boeing 737-800, each of which we had contracted to purchase in prior periods. In addition, AeroTurbine, our subsidiary, purchased two Airbus A320-200 aircraft, two Boeing 757 aircraft, three Bombardier aircraft and one McDonnell Douglas MD-83 aircraft in the three months ending June 30, 2007. At June 30, 2007, the anticipated gross book value of flight equipment we expect to take delivery of or agree to acquire during the full year 2007, based on contracted purchase agreements and signed letters of intent was $791.9 million. Of that amount, a total of approximately $458.6 million was delivered to us during the first six months of 2007, including the aircraft discussed above delivered during the three months ended June 30, 2007.

During the three months ended June 30, 2007, we reached an agreement on the value of a damages claim we had filed with a previous lessee which had filed for bankruptcy protection. We had previously sold our claim to a third party subject to final valuation of the claim. We recognized a gain of $9.0 million upon signing the settlement agreement with the airline which will be recorded as other income on our consolidated income statements for the three months ended June 30, 2007.

During the three months ended June 30, 2007, we executed sale agreements for the sale of three Airbus A330-300 aircraft subject to leases, which we expect to deliver in July 2007. In addition, we executed agreements for the sale of two A300 freighter aircraft subject to leases, of which one is expected to be delivered in September 2007 and the other is expected to be delivered in September 2008. The aggregate sales price for the four aircraft to be delivered in the three months ending September 30, 2007 was approximately $170 million. All aircraft mentioned above will be classified as flight equipment available for sale on our consolidated balance sheet at June 30, 2007.

Results of Operations

Results of Operations for the Three Months Ended March 31, 2007 Compared to the Three Months Ended March 31, 2006

The following table shows a comparison of our results for the three months ended March 31, 2007 to the three months ended March 31, 2006.

	AerCap Holdings N.V.			
	Three months ended March 31, 2006	Three months ended March 31, 2007	Increase/ (decrease)	Percentage difference
	(US dollars in millions)			
Revenues				
Lease revenue	$ 88.0	$ 139.7	$ 51.7	58.8 %
Sales revenue	33.2	148.9	115.7	348.5 %
Management fee revenue	3.7	3.0	(0.7)	(18.9)%
Interest revenue	8.9	7.3	(1.6)	(18.0)%
Other revenue	5.3	10.6	5.3	100.0 %
Total revenues	**139.1**	**309.5**	**170.4**	**122.5 %**
Expenses				
Depreciation	24.3	33.9	9.6	39.5 %
Cost of goods sold	20.5	118.0	97.5	475.6 %
Interest on debt	28.2	50.5	22.3	79.1 %
Other operating expenses	9.6	10.1	0.5	5.2 %
Selling, general and administrative expenses	11.1	26.6	15.5	139.6 %
Total expenses	**93.7**	**239.1**	**145.4**	**155.2 %**
Income from continuing operations before income taxes and minority interest	**45.4**	**70.4**	**25.0**	**55.1 %**
Provision for income taxes	(10.4)	(10.0)	0.4	3.8%
Minority interest net of taxes	0.6	0.2	(0.4)	(66.7)%
Net income	**$ 35.6**	**$ 60.6**	**$ 25.0**	**70.2 %**

Revenues. Our total revenues increased by $170.4 million, or 122.5%, to $309.5 million in the three months ended March 31, 2007 from $139.1 million in the three months ended March 31, 2006. In the three months ended March 31, 2007, we generated $256.4 million in our aircraft segment and $53.0 million in our engine and parts segment, and, in the three months ended March 31, 2006, we generated $139.1 million in our aircraft segment and no revenue in our engine and parts segment since we had not yet acquired AeroTurbine.

The increase in lease revenue was attributable primarily to:

- the acquisition between January 1, 2006 and March 31, 2007 of 54 aircraft with an aggregate net book value of $1.1 billion at the date of acquisition, partially offset by the sale of 21 aircraft, (primarily older Fokker aircraft) during such period, with an aggregate net book value of $230.4 million at the date of sale, which resulted in a $20.9 million increase in lease revenue;

- an increase of $16.2 million in lease revenue in the three months ended March 31, 2007 resulting from previously collected maintenance rents which were recognized as revenue at the termination of leases on four aircraft in the three months ended March 31, 2007. The revenue from recognition of previously received maintenance rents in the three months ended March 31, 2006 was primarily the result of a lease termination on one aircraft;

- the AeroTurbine acquisition on April 26, 2006, which resulted in a $11.7 million increase in lease revenue in the three months ended March 31, 2007; and

- an increase in payments from leases with lease rates tied to floating interest rates in the three months ended March 31, 2007 due to increases in market interest rates, which resulted in a $4.5 million increase in lease revenue between the two periods.

The increase in sales revenue was attributable primarily to:

- an increase in average sales price to $21.4 million (four aircraft) in the three months ended March 31, 2007 from $5.5 million (six aircraft) in the three months ended March 31, 2006. The increase of the average sales price was mainly the result of the mix of aircraft types sold and increased demand for the sold aircraft. In the three months ended March 31, 2007, we sold one A330 in addition to three Fokker 100 aircraft while in the prior period we sold six Fokker 100 aircraft;

- the AeroTurbine Acquisition on April 26, 2006, which resulted in a $41.2 million increase in sales revenue in the three months ended March 31, 2007; and

- the sale of three spare engines by AerVenture, which resulted in a $22.1 million increase in sales revenue in the three months ended March 31, 2007.

The decrease in management fee revenue in the three months ended March 31, 2007 compared to the three months ended March 31, 2006 was due to the termination of a management contract due to the liquidation of the aircraft-owning entity and due to a decrease in management fees on one of our contracts as a result of a reduction, over time, in managed aircraft under the contract due to sales of aircraft in the portfolio.

The decrease in interest revenue in the three months ended March 31, 2007 compared with the three months ended March 31, 2006 was due to the sale of financial assets in 2006. In 2006 we sold four unsecured notes receivable which generated interest revenue in the three months ended March 31, 2006.

The increase in other revenue was primarily due to the gain of $10.7 million in the three months ended March 31, 2007 from the reversal of a liability upon cancellation of a guarantee we provided in connection with a lease-in/lease-out structure that was unwound in the three months ended March 31, 2007. The $10.7 million increase in other revenue increased our net income in the three months ended March 31, 2007 by an equivalent amount. In the three months ended March 31, 2006, we sold two unsecured notes receivable for a gain of $4.2 million and received $1.1 million from an investment in liquidation.

Depreciation. Depreciation increased by $9.6 million, or 39.5%, to $33.9 million in the three months ended March 31, 2007 from $24.3 million in the three months ended March 31, 2006 due primarily to the acquisition between January 1, 2006 and March 31, 2007 of 54 aircraft for leasing with an aggregate net book value of $1.1 billion at the date of acquisition, partially offset by the sale of 21 aircraft, (primarily older Fokker aircraft) during such period, with an aggregate net book value of $230.4 million at the date of sale and the increased depreciation resulting from the AeroTurbine Acquisition.

Cost of Goods Sold. Cost of goods sold increased by $97.5 million, or 475.6%, to $118.0 million in the three months ended March 31, 2007 from $20.5 million in the three months ended March 31, 2006 primarily due to:

- an increase in average cost of goods sold for each aircraft. The average cost of goods sold for each aircraft increased to $15.3 million in the three months ended March 31, 2007 from $3.4 million in the three months ended March 31, 2006. The increase of the average cost of

goods sold was the result of the mix of aircraft types sold, which included one A330 aircraft in the three months ended March 31, 2007;

- the AeroTurbine Acquisition on April 26, 2006, which resulted in a $35.2 million increase in cost of goods sold; and
- the sale of three spare engines by AerVenture, which resulted in a $21.8 million increase in cost of goods sold in the three months ended March 31, 2007.

Interest on Debt. Our interest on debt increased by $22.3 million, or 79.1%, to $50.5 million in the three months ended March 31, 2007 from $28.2 million in the three months ended March 31, 2006. The increase in interest on debt was principally caused by:

- a $9.9 million decrease in the recognition of mark-to-market gains on derivatives to a $3.3 million loss in the three months ended March 31, 2007 from a $6.6 million gain in the three months ended March 31, 2006;
- the AeroTurbine Acquisition on April 26, 2006, which resulted in a $1.4 million increase in interest on debt; and
- an increase in the average interest rate on our debt in the three months ended March 31, 2007 to 7.1% from 6.0% in the three months ended March 31, 2006 due to the increase in market interest rates.

Other Operating Expenses. Our other operating expenses increased by $0.5 million, or 5.2%, to $10.1 million in the three months ended March 31, 2007 from $9.6 million in the three months ended March 31, 2006. The principal categories of our other operating expenses and their variances were as follows:

	Three months ended March 31, 2006	Three months ended March 31, 2007	Increase/ (decrease)	Percentage difference
	(US dollars in millions)			
Operating lease in costs	$ 6.4	$ 6.2	$ (0.2)	(3.1)%
Leasing expenses	4.5	4.0	(0.5)	(11.1)%
Provision for doubtful notes and accounts receivable	(1.3)	(0.1)	1.2	92.3 %
Total	**$ 9.6**	**$ 10.1**	**$ 0.5**	**5.2 %**

The increase in our other operating expenses was primarily due to a $1.2 million decrease in the level of recoveries of certain provisioned receivables in the three months ended March 31, 2007 compared to the three months ended March 31, 2006.

Selling, General and Administrative Expenses. Our selling, general and administrative expenses increased by $15.5 million, or 139.6%, to $26.6 million in the three months ended March 31, 2007 from $11.1 million in the three months ended March 31, 2006, due primarily to (i) the AeroTurbine Acquisition on April 26, 2006, which resulted in a $11.0 million increase in selling, general and administrative expenses and (ii) charges for share-based compensation in the amount of $2.5 million in the three months ended March 31, 2007 which did not occur in the three months ended March 31, 2006.

Income From Continuing Operations Before Income Taxes and Minority Interests. For the reasons explained above, our income from continuing operations before income taxes and minority interests increased by $25.0 million, or 55.1%, to $70.4 million in the three months ended March 31, 2007 from $45.4 million in the three months ended March 31, 2006.

Provision for Income Taxes. Our provision for income taxes decreased by $0.4 million to $10.0 million in the three months ended March 31, 2007 from $10.4 million in the three months ended March 31, 2006. Our effective tax rate for the three months ended March 31, 2007 was 14.2% and was 23.0% for the three months ended March 31, 2006. The effective tax rate decreased primarily due to an increase in income generated in lower tax jurisdictions and a reduction in the Netherlands corporate tax rate from 29.6% to 25.5%.

Net Income. For the reasons explained above, our net income increased by $25.0 million, or 70.2%, to $60.6 million in the three months ended March 31, 2007 from $35.6 million in the three months ended March 31, 2006.

Results of Operations for 2006 Compared to 2005

	Year ended December 31, 2005	Year ended December 31, 2006		
	Aggregate non-GAAP	AerCap Holdings N.V.	Increase/ (decrease)	Percentage Difference
		(US dollars in millions)		
Revenues				
Lease revenue	$ 335.8	$ 443.9	$ 108.1	32.2 %
Sales revenue	88.3	301.4	213.1	241.3 %
Management fee revenue	14.2	14.1	(0.1)	(0.7)%
Interest revenue	33.4	34.7	1.3	3.9 %
Other revenue	4.5	20.3	15.8	351.1 %
Total revenues	**476.2**	**814.4**	**338.2**	**71.0 %**
Expenses				
Depreciation	112.3	102.4	(9.9)	(8.8)%
Cost of goods sold	68.2	220.3	152.1	223.0 %
Interest on debt	114.6	166.2	51.6	45.0 %
Other operating expenses	59.0	46.5	(12.5)	(21.2)%
Selling, general and administrative expenses	46.5	149.4	102.9	221.3 %
Total expenses	**400.6**	**684.8**	**284.2**	**70.9 %**
Income from continuing operations before income taxes and minority interest	**75.6**	**129.6**	**54.0**	**71.4 %**
Provision for income taxes	(10.0)	(21.2)	(11.2)	(112.0)%
Minority interest net of taxes	—	0.6	0.6	100.0 %
Net income	**$ 65.6**	**$ 109.0**	**$ 43.4**	**66.2 %**

Our results of operations for the year ended December 31, 2005 represent an aggregation of the results of operations for AerCap B.V. from January 1, 2005 to June 30, 2005 when it was owned by our prior shareholders and the results of operations for AerCap Holdings N.V. from June 27, 2005 (inception of AerCap Holdings C.V.) to December 31, 2005 following the 2005 Acquisition on June 30, 2005. These results have been aggregated to provide investors with information related to our operating results for the full year of 2005 on the same basis our management uses to analyze our business results and to provide a basis for comparing our results of operations in 2005 with our results for the year ended December 31, 2006. Results of operations for AerCap Holdings N.V. after the 2005 Acquisition include the effects of purchase accounting related to the 2005 Acquisition and, therefore, are not directly comparable to the results of operation for AerCap B.V. in the prior periods. In addition, due to the effects of purchase accounting related to the 2005 Acquisition, results of operations for periods which combine the results of AerCap B.V. prior to the 2005 Acquisition with the results of AerCap N.V. after the 2005 Acquisition are not comparable to periods of a similar length, but which include the results exclusively for periods after the 2005 Acquisition. The material impacts on our consolidated income statement of the 2005 Acquisition are reflected in lower depreciation expense due to reduced net book values, which resulted in a $20.9 million decrease in depreciation expense in 2005, and in lower interest on debt expense due to the elimination of certain debt, which resulted in a $19.6 million decrease in interest on debt expense in 2005. Other than the corresponding effect on income from continuing operations before income taxes and net income, the 2005 Acquisition did not materially impact any of the other line items in our consolidated income statement in 2005. We have included a reconciliation of our 2005 aggregate period results to our consolidated income statements prepared in accordance with U.S. GAAP in the table below:

	AerCap B.V.	AerCap Holdings N.V.	Aggregate non-GAAP
	Six months ended June 30, 2005	Six months ended December 31, 2005	Year ended December 31, 2005
		(US dollars in millions)	
Revenues			
Lease revenue	$ 162.2	$ 173.6	$ 335.8
Sales revenues	75.8	12.5	88.3
Management fee revenue	6.5	7.7	14.2
Interest revenue	13.1	20.3	33.4
Other revenue	3.5	1.0	4.5
Total revenues	**261.1**	**215.1**	**476.2**
Expenses			
Depreciation	66.4	45.9	112.3
Cost of goods sold	57.6	10.6	68.2
Interest on debt	69.9	44.7	114.6
Other operating expenses	32.4	26.6	59.0
Selling, general and administrative expenses	19.6	26.9	46.5
Total expenses	**245.9**	**154.7**	**400.6**
Income from continuing operations before income taxes	**15.2**	**60.4**	**75.6**
Provisions for income taxes	0.6	(10.6)	(10.0)
Net income	**$ 15.8**	**$ 49.8**	**$ 65.6**

The aggregation of the results of operations data for 2005 is not in accordance with U.S. GAAP. Since AerCap Holdings N.V is a different reporting entity for accounting purposes from AerCap B.V., the aggregated information should be considered as supplemental information only. The financial information presented for this combined period reflects the addition, with no adjustments, of the results

of AerCap B.V. for the six months ended June 30, 2005 and the results of AerCap Holdings N.V. for the initial accounting period of the six months ended December 31, 2005.

Revenues. Our total revenues increased by $338.2 million, or 71.0%, to $814.4 million in the year ended December 31, 2006 from $476.2 million in the year ended December 31, 2005. In the year ended December 31, 2006, we generated $689.2 million of revenue in our aircraft segment and $125.2 million of revenue in our engine and parts segment, and, in the year ended December 31, 2005, we generated $476.2 million of revenue in our aircraft segment and no revenue in our engine and parts segment since we had not yet acquired AeroTurbine.

The increase in lease revenue was attributable primarily to:

- an increase of $33.6 million in the year ended December 31, 2006 resulting from previously collected maintenance rents which were recognized as revenue at the termination of leases on several A321 aircraft in 2006 whereas the revenue from recognition of previously collected maintenance rents in 2005 was primarily the result of lease terminations on Fokker aircraft, which have lower levels of related accrued maintenance; and

- the AeroTurbine Acquisition which resulted in a $29.0 million increase in lease revenue in the year ended December 31, 2006;

- the acquisition between January 1, 2005 and December 31, 2006 of 47 aircraft for leasing with an aggregate net book value of $1.2 billion at the date of acquisition, partially offset by the sale of 40 aircraft, (primarily older Fokker aircraft) during such period, with an aggregate net book value of $250.2 million at the date of sale, which resulted in a $28.9 million increase in lease revenue;

- an increase in payments from leases with lease rates tied to floating interest rates in the year ended December 31, 2006 due to increases in market interest rates, which resulted in a $16.4 million increase in lease revenue.

The increase in sales revenue was attributable primarily to:

- an increase in average sales price to $12.2 million (19 aircraft) in the year ended December 31, 2006 from $4.2 million (21 aircraft) in the year ended December 31, 2005. The increase of the average sales price was mainly the result of the mix of aircraft types sold and increased demand for the sold aircraft. In the year ended December 31, 2006, we sold four A320 aircraft and two Boeing 757 aircraft in addition to 13 Fokker 100 aircraft while in the prior period we sold Fokker 50 and Fokker 100 aircraft and we only sold one A320 aircraft; and

- the AeroTurbine Acquisition, which resulted in a $93.7 million increase in sales revenue.

Management fee revenue did not materially change in the year ended December 31, 2006 compared to the year ended December 31, 2005.

Interest revenue did not materially change in the year ended December 31, 2006 compared to the year ended December 31, 2005.

The increase in other revenue was due to the increase in revenue from the sale of financial assets in the year ended December 31, 2006 compared to the year ended December 31, 2005. In the year ended December 31, 2006, we sold four unsecured notes receivable for a gain of $15.8 million, received $2.1 million from an investment in liquidation, sold notes secured by aircraft for a gain of $0.7 million and received $1.7 million from an insurance claim on an engine. In the year ended December 31, 2005, we sold our AerCo Series D Note for a gain of $4.6 million which was partially offset by our sale of notes secured by aircraft for a loss of $0.1 million.

Depreciation. Depreciation decreased by $9.9 million, or 8.8%, to $102.4 million in the year ended December 31, 2006 from $112.3 million in the year ended December 31, 2005 due primarily to the reduction of our asset values in connection with the 2005 Acquisition. The decrease was partially offset by the acquisition of 41 new aircraft between December 31, 2005 and December 31, 2006 with a book value at the time of the acquisition of $928.5 million and the increased depreciation resulting from the AeroTurbine Acquisition.

Cost of Goods Sold. Cost of goods sold increased by $152.1 million, or 223.0%, to $220.3 million in the year ended December 31, 2006 from $68.2 million in the year ended December 31, 2005 primarily due to:

- an increase in average cost of goods sold for each aircraft. The average cost of goods sold for each aircraft increased to $9.1 million in the year ended December 31, 2006 from $3.2 million in the year ended December 31, 2005. The increase of the average cost of goods sold was the result of the mix of aircraft types sold, which included four A320 aircraft in 2006;

- the AeroTurbine Acquisition, which resulted in a $66.3 million increase in cost of goods sold.

Interest on Debt. Our interest on debt increased by $51.6 million, or 45.0%, to $166.2 million in the year ended December 31, 2006 from $114.6 million in the year ended December 31, 2005. The increase in interest on debt was principally caused by:

- a $24.5 million decrease in the recognition of mark-to-market gains on derivatives to $7.9 million in the year ended December 31, 2006 from $32.4 million in the year ended December 31, 2005;

- the AeroTurbine Acquisition on April 26, 2006, which resulted in a $17.3 million increase in interest on debt; and

- an increase in the average interest rate on our debt in the year ended December 31, 2006 to 6.4% from 6.2% in the year ended December 31, 2005 due to the increase in market interest rates and the fact that we refinanced low interest rate indebtedness owed to our prior shareholder with higher interest rate debt with a longer maturity.

Other Operating Expenses. Our other operating expenses decreased by $12.5 million, or 21.2%, to $46.5 million in the year ended December 31, 2006 from $59.0 million in the year ended December 31, 2005. The principal categories of our other operating expenses and their variances were as follows:

	Year ended December 31, 2005	Year ended December 31, 2006	Increase/ (decrease)	Percentage Difference
		(US dollars in millions)		
Operating lease in costs	$ 25.3	$ 25.2	$ (0.1)	(0.4)%
Leasing expenses	27.5	21.5	(6.0)	(21.8)%
Provision for doubtful notes and accounts receivable	6.2	(0.2)	(6.4)	(103.2)%
Total	**$ 59.0**	**$ 46.5**	**$ (12.5)**	**(21.2)%**

Our leasing expenses decreased in the year ended December 31, 2006 primarily because we incurred lower maintenance expenses due to fewer lessee defaults than in 2005.

Our provision for doubtful notes and accounts receivable was lower in the year ended December 31, 2006 when compared to the year ended December 31, 2005 due to the decrease in lessee defaults in the year ended December 31, 2006 and the impact of certain recoveries of provisioned receivables in the year ended December 31, 2006.

Selling, General and Administrative Expenses. Our selling, general and administrative expenses increased by $102.9 million, or 221.3%, to $149.4 million in the year ended December 31, 2006 from $46.5 million in the year ended December 31, 2005, due primarily to (i) charges for share-based compensation in the amount of $78.6 million in 2006 which did not occur in 2005, (ii) the AeroTurbine Acquisition, which resulted in a $21.5 million increase in selling, general and administrative expenses and (iii) start-up costs for our two consolidated joint ventures, AerVenture and Bella, which totaled $3.8 million.

Net Income From Continuing Operations Before Income Taxes and Minority Interests. For the reasons explained above, our income from continuing operations before income taxes and minority interests increased by $54.0 million, or 71.4%, to $129.6 million in the year ended December 31, 2006 from $75.6 million in the year ended December 31, 2005.

Provision for Income Taxes. Our provision for income taxes increased by $11.2 million, or 112.0%, to $21.2 million in the year ended December 31, 2006 from $10.0 million in the year ended December 31, 2005. Our effective tax rate for the year ended December 31, 2005 was 13.2% and was 16.4% for the year ended December 31, 2006. The effective tax rate in 2006 was impacted by (i) charges for share-based compensation in the U.S., only a portion of which are tax-deductible, (ii) a reduction in The Netherlands corporate tax rate which resulted in a reduction of our Netherlands deferred tax assets and (iii) the reduction of a valuation allowance against our Swedish tax assets.

Net Income. For the reasons explained above, our net income increased by $43.4 million, or 66.2%, to $109.0 million in the year ended December 31, 2006 from $65.6 million in the year ended December 31, 2005.

Results of Operations for 2005 Compared to 2004

Results of operations

	Year ended December 31, 2004	Aggregate non-GAAP Year ended December 31, 2005	Increase/ (decrease)	Percentage difference
		(US dollars in millions)		
Revenues				
Lease revenue	$ 308.5	$ 335.8	$ 27.3	8.8 %
Sales revenue	32.1	88.3	56.2	175.1 %
Management fee revenue	15.0	14.2	(0.8)	(5.3)%
Interest revenue	21.6	33.4	11.8	54.6 %
Other revenue	13.7	4.5	(9.2)	(67.2)%
Total revenues	**390.9**	**476.2**	**85.3**	**21.8 %**
Expenses				
Depreciation	125.9	112.3	(13.6)	(10.8)%
Cost of goods sold	19.0	68.2	49.2	258.9 %
Interest on debt	113.1	114.6	1.5	1.3 %
Impairments	134.7	—	(134.7)	(100.0)%
Other operating expenses	68.9	59.0	(9.9)	(14.4)%
Selling, general and administrative expenses	36.4	46.5	10.1	27.7 %
Total expenses	**498.0**	**400.6**	**(97.4)**	**(19.6)%**
Income (loss) from continuing operations before income taxes	**(107.1)**	**75.6**	**182.7**	**170.6 %**
Provisions for income taxes	0.2	(10.0)	(10.2)	(5,100.0)%
Net income	**$ (106.9)**	**$ 65.6**	**$ 172.5**	**161.4 %**

Our results of operations for the year ended December 31, 2005 represent an aggregation of the results of operations for AerCap B.V. from January 1, 2005 to June 30, 2005 when it was owned by our prior shareholders and the results of operations for AerCap Holdings N.V. from June 27, 2005 (inception of AerCap Holdings C.V.) to December 31, 2005 following the 2005 Acquisition on June 30, 2005. These results have been aggregated to provide investors with information related to our operating results for the full year of 2005 on the same basis our management uses to analyze our business results and to provide a basis for comparing our results of operations in 2005 with prior periods. Results of operations for AerCap Holdings N.V. after the 2005 Acquisition include the effects of purchase accounting related to the 2005 Acquisition and, therefore, are not directly comparable to the results of operation for AerCap B.V. in the prior periods. In addition due to the effects of purchase accounting related to the 2005 Acquisition, results of operations for periods which combine the results of AerCap B.V. prior to the 2005 Acquisition with the results of AerCap N.V. after the 2005 Acquisition are not comparable to periods of a similar length, but which include the results exclusively for periods after the 2005 Acquisition. The material impacts on our consolidated income statement of the 2005 Acquisition are reflected in lower depreciation expense due to reduced net book values, which resulted in a $20.9 million decrease in depreciation expense in 2005, and in lower interest on debt expense due to the elimination of certain debt, which resulted in a $19.6 million decrease in interest on debt expense in 2005. Other than the corresponding effect on income from continuing operations before income taxes and net income, the 2005 Acquisition did not materially impact any of the other line items in our consolidated income statement in 2005. We have included a reconciliation of our 2005 aggregate period results to our consolidated income statements prepared in accordance with U.S. GAAP in the table below:

	AerCap B.V.	AerCap Holdings N.V.	Aggregate non-GAAP
	Six months ended June 30, 2005	Six months ended December 31, 2005	Year ended December 31, 2005
		(US dollars in millions)	
Revenues			
Lease revenue	$ 162.2	$ 173.6	$ 335.8
Sales revenues	75.8	12.5	88.3
Management fee revenue	6.5	7.7	14.2
Interest revenue	13.1	20.3	33.4
Other revenue	3.5	1.0	4.5
Total revenue	**261.1**	**215.1**	**476.2**
Expenses			
Depreciation	66.4	45.9	112.3
Cost of goods sold	57.6	10.6	68.2
Interest on debt	69.9	44.7	114.6
Other operating expenses	32.4	26.6	59.0
Selling, general and administrative expenses	19.6	26.9	46.5
Total expenses	**245.9**	**154.7**	**400.6**
Income from continuing operations before income taxes	**15.2**	**60.4**	**75.6**
Provisions for income taxes	0.6	(10.6)	(10.0)
Net income	**$ 15.8**	**$ 49.8**	**$ 65.6**

The aggregation of the results of operations data for 2005 is not in accordance with U.S. GAAP. Since AerCap Holdings N.V. is a different reporting entity for accounting purposes from AerCap B.V., the aggregated information should be considered as supplemental information only. The financial information presented for this combined period reflects the addition, with no adjustments, of the results

of AerCap B.V. for the six months ended June 30, 2005 and the results of AerCap Holdings N.V. for the initial accounting period ended December 31, 2005.

Revenues. Our total revenues increased by $85.3 million, or 21.8%, from $390.9 million in 2004 to $476.2 million in 2005. The principal categories of our revenue and their year over year variances were:

	Year ended December 31, 2004	Year ended December 31, 2005	Increase/ (decrease)	Percentage Difference
	(US dollars in millions)			
Lease revenue	$ 308.5	$ 335.8	$ 27.3	8.8 %
Sales revenue	32.1	88.3	56.2	175.1 %
Management fee revenue	15.0	14.2	(0.8)	(5.3)%
Interest revenue	21.6	33.4	11.8	54.6 %
Other revenue	13.7	4.5	(9.2)	(67.2)%
Total	**$ 390.9**	**$ 476.2**	**$ 85.3**	**21.8 %**

The increase in lease revenue was attributable primarily to:

- the recognition of supplemental maintenance rent from lease terminations and reductions in our estimated accrued maintenance liability, which resulted in a $8.0 million increase in lease revenue;
- an increase in lease revenue due to the acquisition of 15 aircraft between January 1, 2004 and December 31, 2005 with a cumulative net book value of $656.8 million at the date of acquisition, partially offset by the sale of 30 primarily older Fokker aircraft during such period with a cumulative net book value of $83.5 million at the date of sale, which resulted in a $16.2 million increase in lease revenue;
- an increase in payments under leases with lease rates tied to floating interest rates due to increases in market interest rates, which resulted in a $13.2 million increase in lease revenue;

partially offset by:

- the absence of voluntary lease termination penalties collected in 2005, which generated $6.2 million in revenue in 2004;
- the amortization of the intangible lease premium generated at the time of the 2005 Acquisition, which resulted in a $3.3 million decrease in lease revenue; and
- a decrease in lease revenue from the expiration of older, longer-term leases and the entry into new leases at lower rates, which decreased lease revenue by $1.1 million.

The increase in sales revenue to $88.3 million in 2005 from $32.1 million in 2004 reflects an increase in the number of aircraft sold in 2005 (21 aircraft) as compared to those sold in 2004 (nine aircraft). The average sales price per aircraft in 2005 was $4.2 million compared to $3.5 million in 2004. The number of aircraft sold in 2005 increased as our management decided to take advantage of favorable market conditions by selling some of our older, less desirable aircraft, including 16 of our Fokker aircraft.

Management fee revenue decreased slightly between 2004 and 2005 primarily because of a reduction in AerCo fees due to lower AerCo cash flows. In 2005, we generated 39.2% of our management fee revenue from Airplanes Group and 34.9% of our management fee revenue from AerCo. In 2004, we generated 39.0% of our management fee revenue from Airplanes Group and 36.0% of our management fee revenue from AerCo.

The increase in interest revenue in 2005 compared with 2004 was due to:

- an increase in our average cash and cash equivalents and restricted cash balances to $303.9 million in 2005 compared to $295.6 million in 2004, and an increase in the average

interest rates to 2.41% in 2005 from 1.09% in 2004 on those balances, which resulted in a $4.1 million increase in interest revenue; and

- the accretion of purchase price adjustments on our interest bearing financial assets written down in connection with the 2005 Acquisition, which resulted in a $6.1 million increase in interest revenue.

The decrease in other revenue primarily reflects the net gain on sale of a claim which we sold in 2004, which originated from the bankruptcy of one of our lessees. The gain recognized was $8.2 million. We recognized a gain on the sale of our AerCo Series D notes in 2005 of $4.6 million and a similar amount of other revenue in 2004 from penalty fees received from a lessee in connection with a lease restructuring.

Depreciation. Depreciation decreased by $13.6 million, or 10.8%, to $112.3 million in 2005 from $125.9 million in 2004 due primarily to the reduction of our asset values in connection with the 2005 Acquisition. The decrease was partially offset by an increase in depreciation related to increased aggregate book values of our assets resulting from the acquisition of six new aircraft with a net book value of $250.3 million and the sale of 19 aircraft (18 of which were older aircraft) with an aggregate net book value of $67.4 million during 2005.

Cost of Goods Sold. The increase in cost of goods sold in 2005 reflected the increase in the number of aircraft sold to 21 with an average carrying value of $3.2 million in 2005 from nine with an average carrying value of $2.1 million in 2004.

Interest on Debt. Our interest on debt increased by $1.5 million, or 1.3%, to $114.6 million in 2005 from $113.1 million in 2004. Our interest on debt expense was principally affected by:

- an increase in our average interest rate in 2005 to 5.9% from 5.2% in 2004 due to increases in market interest rates and the fact that we refinanced low interest rate indebtedness owed to our prior shareholders with higher interest rate debt with a longer maturity;

largely offset by:

- a $210.2 million decrease in our average outstanding indebtedness balance which was $2,490.9 million in 2005 compared to $2,701.1 million in 2004; and

- a $12.5 million increase in the recognition of mark-to-market gains on derivatives to $32.4 million in 2005 from $19.9 million in 2004.

Our average outstanding indebtedness declined primarily due to the 2005 Acquisition. This decrease as a result of the 2005 Acquisition was only partially offset by our incurrence of $1.0 billion of indebtedness to pay a portion of the 2005 Acquisition purchase price and $221.0 million of indebtedness which was incurred in connection with the acquisition of new aircraft in 2005.

Impairments. In 2004, we recorded a $132.4 million impairment for all of our existing goodwill as a result of our annual goodwill impairment test described in "—Factors Affecting the Comparability of our Results—Goodwill Impairment". In addition, we recorded an impairment on investments of $2.3 million in 2004. We did not record any impairments in 2005.

Other Operating Expenses. Our other operating expenses decreased by $9.9 million, or 14.4%, to $59.0 million in 2005 from $68.8 million in 2004. The principal categories of our other operating expenses and their year over year variances were as follows:

	2004	2005	Increase/ (decrease)	Percentage Difference
	(US dollars in millions)			
Operating lease in costs	$ 35.8	$ 25.3	$ (10.5)	(29.3)%
Leasing expenses	32.5	27.5	(5.0)	(15.4)%
Provision for doubtful notes and accounts receivable	0.6	6.2	5.6	933.3 %
Total	**$ 68.9**	**$ 59.0**	**$ (9.9)**	**(14.4)%**

Our operating lease-in costs decreased due primarily to the repurchase of an aircraft previously leased-in and the termination of our lease obligation to the prior legal owner of the aircraft and an amendment to the lease on one of our other leased in aircraft which lowered our lease obligations.

Our leasing expenses decreased in 2005 primarily because we incurred lower maintenance expenses due to fewer lessee defaults than in 2004. Leasing expenses in 2004 reflected lease transition costs totaling $7.2 million related to the transition of six A320 aircraft, which we had repossessed in 2003, from two defaulting lessees to new lessees.

Our provision for doubtful notes and accounts receivable was lower in 2004 when compared to 2005 due to the collection in 2004 of $9.5 million of receivables for which we had previously taken a reserve.

Selling, General and Administrative Expenses. Our selling, general and administrative expenses increased by $10.1 million, or 27.7%, to $46.5 million in 2005 from $36.4 million in 2004, due primarily to increased personnel costs of $5.1 million in 2005 mainly arising from the hiring of new employees, an increase in professional fees of $1.9 million and an increase in foreign exchange losses of $3.9 million in 2005. We recognized an increase in net foreign exchange losses between 2004 and 2005 as a result of losses on our mark-to-market foreign exchange hedges, which are used to partially hedge our euro expense against changes in the euro/US dollar exchange rate.

Income From Continuing Operations Before Income Taxes and Minority Interests. For the reasons explained above, our income from continuing operations before income taxes and minority interests increased by $182.7 million to an income from continuing operations before income taxes and minority interests of $75.6 million in 2005 from a loss on income from continuing operations before income taxes and minority interests of $107.1 million in 2004.

Provision for Income Taxes. Our provision for income taxes increased by $10.2 million to $10.0 million in 2005 from $(0.2) million in 2004 primarily due to our increased income from continuing operations before income taxes and minority interests. The effect of our increase in income from continuing operations before income taxes and minority interests was partially offset by a decrease in our average effective tax rate below the statutory tax rates as a result of the effects of the 2005 Acquisition structure described above and the reduction in non taxable permanent differences between our U.S. GAAP income from continuing operations before income taxes and minority interests and taxable income. In 2004, we had a net tax charge despite recording a net loss primarily as a result of the goodwill impairment charge of $132.4 million which was not tax deductible in The Netherlands. Our 2005 tax rate was reduced below the average enacted tax rates in the relevant jurisdictions producing income in that year because we were able to deduct interest expenses in The Netherlands on AerCap B.V.'s debts to its parent, AerCap Holdings N.V. while the corresponding interest income for AerCap Holdings N.V. was not subject to taxes in any jurisdiction.

Net Income. For the reasons explained above, our net income increased by $172.5 million to a net income of $65.6 million in 2005 from a net loss of $106.9 million in 2004.

Liquidity and Capital Resources

We satisfy our liquidity requirements through several sources, including:

- lines of credit and other secured borrowings;
- aircraft and engine lease revenues;
- sales of aircraft, engines and parts;
- supplemental maintenance rent and security deposits provided by our lessees; and
- management fee revenue.

Aircraft leasing and trading is a capital intensive business. We believe that our existing cash balance and anticipated future operating cash flows, including proceeds arising from the sale of aircraft,

engines and parts, will be sufficient to satisfy the operating requirements of our business for the next twelve months. In the longer term, we expect to fund the growth of our business, including the acquisition of aircraft and engines, through internally generated cash flows, the incurrence of bank debt and the issuance of debt and equity securities. For additional information on the availability of funding under our revolving credit facilities see "Indebtedness".

The acquisition of aircraft and engines drives our growth and fuels our long-term need for liquidity. It is our intention to fund future aircraft and engines acquisitions initially through cash flows from our operations, borrowings under credit facilities and government guaranteed debt issuances, and to repay all or a portion of the borrowings from time to time with the net proceeds from a variety of capital market and bank sources, including securitizations and from aircraft and engine sale proceeds. Therefore, our ability to execute our business strategy, particularly the growth of our business, depends to a significant degree on our ability to secure additional financing. Whether we will be able to obtain financing will depend upon a number of factors, such as our historical and expected performance, industry and market trends, the availability of capital and the relative attractiveness of alternative investments. We believe that funds will be available to support our growth strategy. However, future deterioration in our performance or our markets could limit our ability to obtain financing and/or increase our cost of capital, which may negatively affect our ability to raise additional funds and grow our business.

Our liquidity also depends on the ability of our subsidiaries to dividend cash to us. Substantially, all of our owned aircraft are held through special purpose subsidiaries, consolidated joint ventures or finance structures which borrow funds to finance or refinance the aircraft. Most of the commercial bank loans and export credit facility financings restrict the payment of dividends in the event that the borrower is in default under the applicable loan, which can include the failure to meet financial ratios or tests. Our revolving credit facility with a syndicate of banks led by affiliates of UBS Real Estate Securities Inc. permits limited distributions to us by the relevant subsidiary borrower during the first two years provided specified principal payments are made. AeroTurbine's revolving credit facility with a syndicate of banks led by affiliates of Calyon permits distributions to us provided that specified financial ratios are met. The securitization of Aircraft Lease Securitisation allows distributions on the subordinated notes to us after the senior classes of notes are repaid. We believe we are in compliance with the financial covenants in all of our indebtedness. For more information on our indebtedness, see "Indebtedness".

From time to time, we enter into intercompany funding arrangements with our subsidiaries and/or provide capital contributions to them to ensure that our subsidiaries have sufficient liquidity to satisfy their contractual and operational requirements.

Cash Flows

Three months ended March 31, 2007 compared to three months ended March 31, 2006

	AerCap Holdings N.V.	
	Three months ended March 31,	
	2006	2007
	(US dollars in millions)	
Net cash flow provided by operating activities	$ 54.0	$ 18.7
Net cash flow used in investing activities	(77.9)	(119.3)
Net cash flow provided by financing activities	93.1	109.4

Cash Flows From Operating Activities. Our cash flows provided by operating activities decreased by $35.3 million to $18.7 million in the three months ended March 31, 2007 from $54.0 million in the three months ended March 31, 2006 primarily due to a one time non-recurring receipt of $20.2 million in the three months ended March 31, 2006 from a lessee as settlement of a receivable that was past due, as well as an increase of $26.9 million in payments related to accounts payable and accrued

expenses, a $15.5 million increase in selling, general and administrative expenses and a $22.3 million increase in interest expense, partially offset by a $51.8 million increase in lease revenue, in each case in the three months ended March 31, 2007.

Cash Flows Used in Investing Activities. Our cash flows used in investing activities increased by $41.4 million, to cash used in investing activities of $119.3 million in the three months ended March 31, 2007 from cash used in investing activities of $77.9 million in the three months ended March 31, 2006. The reasons for the increase in cash used in investing activities in the three months ended March 31, 2007 was an increase of $29.1 million in net cash used for the purchase of aircraft and intangible lease premiums, net of aircraft sales proceeds and a $14.4 million reduction in the change in restricted cash balances in the three months ended March 31, 2007, compared to the three months ended March 31, 2006 related to the release of restricted cash from our Aircraft Lease Securitisation securitization vehicle and from a lender upon the substitution of letter of credit in the three months ended March 31, 2006.

Cash Flows Provided by Financing Activities. Our cash flows provided by financing activities increased by $16.3 million, to $109.4 million provided by financing activities in the three months ended March 31, 2007 from $93.1 million provided by financing activities in the three months ended March 31, 2006. The principal reason for the increase in cash provided by financing activities in the three months ended March 31, 2007 was an increase of $41.3 million in the amount of net additional financing proceeds, net of debt issuance costs paid, in the three months ended March 31, 2007, compared to the three months ended March 31, 2006, due to the need to finance increases in net aircraft purchases, partially offset by cash received from our joint venture partner in AerVenture of $25.0 million in the three months ended March 31, 2006.

Year ended December 31, 2006 compared to year ended December 31, 2005

	Aggregate non-GAAP	AerCap Holdings N.V.
	Year ended December 31, 2005	Year ended December 31, 2006
	(US dollars in millions)	
Net cash flow provided by operating activities	$ 216.5	$ 348.4
Net cash flow used in investing activities	(1,416.7)	(843.3)
Net cash flow provided by financing activities	1,363.5	443.6

Our cash flows for the year ended December 31, 2005 represent the cash flows for AerCap B.V. from January 1, 2005 to June 30, 2005, when it was owned by our prior shareholders, and the cash flows for AerCap Holdings N.V. from June 27, 2005 (inception of AerCap Holdings C.V.) to December 31, 2005, following the 2005 Acquisition on June 30, 2005. For the period from June 27, 2005 to June 30, 2005, we did not generate any cash flows. The cash flows have been aggregated to provide investors with data for year ended December 31, 2005 on the same basis our management uses to analyze our business results and to provide a basis for comparing our cash flows for the year ended December 31, 2006 to cash flows for prior periods. We have included a reconciliation of the aggregate year ended December 31, 2005 cash flows to the consolidated statements of cash flows prepared in accordance with U.S. GAAP in the table below:

	AerCap B.V.	AerCap Holdings N.V.	Aggregate non-GAAP
	Six months ended June 30, 2005	Six months ended December 31, 2005	Year ended December 31, 2005
		(US dollars in millions)	
Net cash flow provided by operating activities	$ 107.3	$ 109.2	$ 216.5
Net cash flow provided by (used in) investing activities	14.5	(1,431.2)	(1,416.7)
Net cash flow (used in) provided by financing activities	(142.0)	1,505.5	1,363.5

The aggregation of cash flow data for the year ended December 31, 2005 is not in accordance with U.S. GAAP, as AerCap Holdings N.V. is a different reporting entity for accounting purposes from AerCap B.V. and the periods presented are not directly comparable because the cash flow information for the six months ended December 31, 2005 includes the effects of the 2005 Acquisition. The AerCap Holdings N.V. cash flow information for the year ended December 31, 2005 reflects the addition, without adjustment, of the cash flows of AerCap B.V. for the six months ended June 30, 2005 and of AerCap Holdings N.V. for the six months ended December 31, 2005. The aggregated cash flow information should be considered as supplemental information only.

Cash Flows From Operating Activities. Our cash flows provided by operating activities increased by $131.9 million, or 60.9%, to $348.4 million in the year ended December 31, 2006 from $216.5 million in the year ended December 31, 2005. This increase is due primarily to (i) a $71.7 million increase in the change in accounts payable and accrued expenses, including maintenance liabilities and lessee deposits, which was due primarily to the increase in accrued maintenance liabilities and lessee deposits from the purchase of 24 used aircraft, subject to leases, during 2006 and (ii) a $109.5 million increase in net income after giving effect to all non-cash add-backs or deductions to net income on the consolidated statements of cash flows. These increases were partially offset by the use of $24.2 million in the year ended December 31, 2006 for the purchase of inventory, which did not occur in the year ended December 31, 2005 and a $38.6 million decrease in the change to trade and notes receivable, both of which resulted primarily from the inclusion of AeroTurbine's operating results in our consolidated financial statements following the AeroTurbine Acquisition.

Cash Flows Used in Investing Activities. Our cash flows used in investing activities decreased by $573.4 million, or 40.5%, to $843.3 million in the year ended December 31, 2006 from $1,416.7 million in the year ended December 31, 2005. The principal reason for the decrease in cash used in investing activities was the consideration paid in 2005, net of cash acquired, of $1,245.6 million to acquire AerCap B.V., which was partially offset by a $579.4 million, or 412.1% increase in net cash used to buy and sell flight equipment and additional pre-delivery payments made under our aircraft purchase agreement with Airbus to $720.0 million in the year ended December 31, 2006 from $140.6 million in the year ended December 31, 2005.

Cash Flows Provided by Financing Activities. Our cash flows provided by financing activities decreased by $919.9 million, or 67.5%, to $443.6 million in the year ended December 31, 2006 from $1,363.5 million in the year ended December 31, 2005. This decrease in cash flows provided by financing activities was due primarily to (i) a decrease of $696.9 million of borrowings, net of repayments, to $300.4 million in the year ended December 31, 2006 from $997.3 million in the year ended December 31, 2005 which was primarily attributable to the $1,000.0 million term loan contracted in connection with the 2005 Acquisition and (ii) a $261.4 million decrease in the amount of additional equity investments. In the year ended December 31,2005 we received additional equity investments of $405.0 million in connection with the 2005 Acquisition whereas in the year ended December 31, 2006 we received net additional equity investments of $143.6 million related to our initial public offering.

Indebtedness

As of March 31, 2007, our outstanding indebtedness totaled $2.7 billion and primarily consisted of export credit facilities, Japanese operating lease financings, commercial bank debt, revolving credit debt, securitization debt and capital lease structures.

The following table provides a summary of our indebtedness at March 31, 2007:

Debt Obligation	Collateral	Commitment	Outstanding	Undrawn amounts	Weighted average interest rate	Final stated maturity
		(US dollars in thousands)				
Export credit facilities—guaranteed financings	17 aircraft	$ 775,336	$ 570,632	$ 204,704	5.57%	2007-2019
Japanese operating lease financings	3 aircraft	98,328	98,328	—	5.59%	2007-2015
Pre-delivery payment facility	—	118,912	19,505	99,407	6.97%	2007-2010
UBS revolving credit facility(1)	16 aircraft	970,000	370,117	599,883	7.81%	2007-2012
AT revolving credit facility	60 engines	220,000	35,688	184,312	6.85%	2007-2011
GATX portfolio acquisition facility(2)	24 aircraft	210,553	210,553	—	7.07%	2007-2013
Commercial bank debt(3)	23 aircraft and three engines	380,547	380,547	—	6.77%	2007-2019
Aircraft Lease Securitisation debt(4)	42 aircraft	818,466	818,466	—	6.25%	2007-2016
Capital lease obligations under defeasance structures	4 aircraft	162,151	162,151	—		2007-2010
Total		**$ 3,754,293**	**$ 2,665,987**	**$ 1,088,306**		

(1) On May 8, 2007, we amended and restated our UBS revolving credit facility and repaid the amounts outstanding under the revolving credit facility with a portion of the proceeds from the refinancing of the Aircraft Lease Securitisation securitization. As of May 31, 2007, we had drawn $41.4 million on the amended and restated UBS revolving credit facility.

(2) As of May 31, 2007, we had repaid $55.5 million of the GATX portfolio acquisition facility relating to three aircraft with a portion of the proceeds from the refinancing of the Aircraft Lease Securitisation securitization.

(3) As of May 31, 2007, we had repaid $110.3 million of our commercial bank debt in connection with a portion of the proceeds of the refinancing of the Aircraft Lease Securitisation securitization.

(4) On May 8, 2007, Aircraft Lease Securitization completed a refinancing of $1.0 billion of its securitized notes with the issuance of $1.66 billion of new securitized notes with a weighted average interest rate of one-month LIBOR plus 26 basis points and a final stated maturity of 2032. The new notes are secured by 70 aircraft.

The weighted average interest rate in the table above excludes the impact of related derivative financial instruments, which we hold to hedge our exposure to interest rates. See "Indebtedness" for more information regarding our indebtedness and see "Interest Rate Risk" for more information on our portfolio of derivative financial instruments.

Contractual Obligations

Our contractual obligations consist of principal and interest payments on term debt, executed purchase agreements to purchase aircraft, operating lease rentals on aircraft under lease in/lease out structures and rent payments pursuant to our office leases. We intend to fund our contractual obligations through our lines of credit and other borrowings as well as internally generated cash flows. We believe that our sources of liquidity will be sufficient to meet our contractual obligations.

The following table sets forth our contractual obligations and their maturity dates as of March 31, 2007:

Payments Due By Period as of March 31, 2007(1)

Contractual Obligations	2007(7)	2008 to 2010	2011 to 2012	Thereafter	Total
			(U.S. dollars in thousands)		
Debt(2)(3)	$ 447,880	$ 1,145,757	$ 756,705	$ 1,099,332	$ 3,449,674
Purchase obligations(1)(4)	479,659	4,059,442	630,397	—	5,169,498
Operating leases(5)	14,200	92,491	49,464	5,154	161,309
Derivative obligations	(3,649)	(9,545)	(3,297)	(2,538)	(19,029)
Total(6)	**$ 938,090**	**$ 5,288,145**	**$ 1,433,269**	**$ 1,101,948**	**$ 8,761,452**

(1) The table above is as of March 31, 2007, except for commitments arising from our agreement with Airbus signed on May 11, 2007 to purchase ten additional A330-200 aircraft. The table above includes the commitments related to this purchase agreement as of May 11, 2007.

(2) Includes estimated interest payments based on one-month LIBOR as of March 31, 2007, which was 5.32%.

(3) On May 8, 2007, Aircraft Lease Securitization completed a refinancing of $1.0 billion of its securitized notes with the issuance of $1.66 billion of new securitized notes. The proceeds of the refinancing were used to redeem all of the outstanding Aircraft Lease Securitisation debt, other than the most junior class of notes, to repay other indebtedness owed by us, to refinance the indebtedness that had been incurred to purchase 24 previously acquired aircraft, and to finance the purchase of four additional new aircraft, increasing Aircraft Lease Securitisation's aircraft portfolio size to 70 aircraft. As of May 31, 2007, we had repaid net $362.6 million of indebtedness under our UBS revolving credit facility and $165.8 million of commercial bank debt with the proceeds of the new securitization.

(4) At March 31, 2007 there were five aircraft remaining to be delivered under our 1999 aircraft purchase agreement with Airbus. We also had 20 new A330-200 widebody aircraft on order from Airbus and two new Boeing 737-800 aircraft. In addition, AerVenture had 47 Airbus A320, 23 Airbus A319 aircraft and three additional engines on order. On May 11, 2007 we ordered an additional ten new A330-200 widebody aircraft from Airbus which are also reflected in the table above.

(5) Represents contractual operating lease rentals on aircraft under lease in/lease out structures and contractual rental payments on our office and facility leases in Amsterdam, The Netherlands, Miami, Florida, Fort Lauderdale, Florida, Goodyear, Arizona and Shannon, Ireland.

(6) Does not include our capital contributions to AerVenture required in connection with the acquisition of aircraft. AerVenture's aircraft purchase obligations are reflected under "purchase obligations".

(7) Represents the nine month period ended December 31, 2007.

Capital Expenditures

Our primary capital expenditure is the purchase of aircraft, including pre-delivery payments under our 1999 aircraft purchase agreement with Airbus. The table below sets forth our capital expenditures for the historical periods indicated.

	Year ended December 31,			Three months ended March 31, 2007
	2004	2005	2006	
	(US dollars in thousands)			
Capital expenditures	$ 313,213	$ 198,870	$ 879,497	$ 223,585
Pre-delivery payments	33,366	46,315	93,708	18,650

In 2004, our principal capital expenditures were for five A320 aircraft, three A321 aircraft, one MD-11F aircraft which we previously leased-in under an operating lease and pre-delivery payments for nine aircraft. In 2005, our principal capital expenditures were for five A320 aircraft and one A319 aircraft and pre-delivery payments for 12 aircraft. In 2006, our principal capital expenditures were for three A319 and three A320 aircraft delivered under our 1999 forward order agreement and 17 A320s, one A319, three 737-700/800s, six 737-300/400s, four 757s and one 767 purchased in portfolio or single aircraft purchase transactions.

The table below sets forth our expected capital expenditures for future periods indicated based on contracted commitments as of March 31, 2007.

	2007(1)	2008	2009	2010	2011	2012	Total
	(US dollars in thousands)						
Capital expenditures(2)	$ 340,250	$ 402,965	$ 1,212,743	$ 1,440,234	$ 194,127	$ 298,491	$ 3,888,810
Pre-delivery payments(2)	139,409	383,645	419,825	200,030	126,051	11,728	1,280,688
Total	**$ 479,659**	**$ 786,610**	**$ 1,632,568**	**$ 1,640,264**	**$ 320,178**	**$ 310,219**	**$ 5,169,498**

(1) Represents the nine month period ended December 31, 2007.

(2) The table above is as of March 31, 2007, except for commitments arising from our agreement with Airbus signed on May 11, 2007 to purchase ten additional A330-200 aircraft. The table above includes the commitments related to this purchase agreement as of May 11, 2007.

In the nine month period ended December 31, 2007, we expect to make capital expenditures related to final delivery payments on five A320 family aircraft under our 1999 Airbus purchase contract. We expect to make capital expenditures related to the 47 A320 aircraft and 23 A319 aircraft on order by AerVenture between 2007 and 2010 and expect to make capital expenditures related to the 30 A330 aircraft on order between 2008 and 2012. As we implement our growth strategy and expand our aircraft and engine portfolio, we expect our capital expenditures to increase in the future. We anticipate that we will fund these capital expenditures through internally generated cash flows, draw downs on our committed revolving credit facilities and the incurrence of bank debt, and other debt and equity issuances.

Off-Balance Sheet Arrangements

We are obligated to make sublease payments under seven aircraft operating leases of aircraft which mature between 2009 and 2012. We lease these seven aircraft to aircraft operators. Since we are not fully exposed to the risks and rewards of ownership of these aircraft, we do not include these aircraft on our balance sheet. In addition, we do not recognize a financial liability for our operating lease obligations under the leases on our balance sheet. Due to the fact that sublease receipts related to these seven aircraft are insufficient to cover our lease obligations, we have recognized an onerous contract accrual on our balance sheet which is equal to the difference between the present value of the lease expenses and the present value of the sublease income discounted at appropriate discount rates. This accounting treatment, however, does not result in the same presentation as if we accounted for these aircraft as owned assets and the related operating lease obligations as debt liabilities. See Note 16 to our audited consolidated financial statements contained in this prospectus.

We continue to have an economic interest in AerCo. This interest is not assigned any value on our balance sheet because we do not expect to realize any value for our investment.

We have other investments in companies or ventures in the airline industry which we obtain primarily through restructurings in our leasing business. The value of these investments are immaterial to our financial position. We do not consolidate such companies on our balance sheet because the investments do not meet the requirements for consolidation.

As discussed above, we have entered into two joint ventures (Annabel and AerDragon), that do not qualify for consolidated accounting treatment. The assets and liabilities of these joint ventures will

be off our balance sheet and we record only our net investment under the equity method of accounting.

Related Party Transactions

The following is a summary of material provisions of various transactions we have entered into with related parties since January 1, 2004.

Related Party Transactions with Current Affiliates

AerCo is an aircraft securitization vehicle in which we hold all of the most junior class of subordinated notes and some notes immediately senior to those junior notes. We do not recognize value for the AerCo notes which we hold on our consolidated balance sheets. Through March 2003 we consolidated AerCo, but we deconsolidated the vehicle in accordance with FIN 46 at that time. Subsequent to the deconsolidation of AerCo, we have received interest from AerCo on our D note investment of $8.5 million, $1.7 million, $0.8 million, $1.7 million and $0.4 million for the year ended December 31, 2004, the six months ended June 30, 2005, the period from June 27, 2005 to December 31, 2005, for the year ended December 31, 2006 and the three months ended March 31, 2007, respectively. In addition, we provide a variety of management services to AerCo for which we received fees of $5.4 million, $2.4 million, $2.4 million, $5.2 million and $1.1 million for the year ended December 31, 2004, the six months ended June 30, 2005, the period from June 27, 2005 to December 31, 2005, the year ended December 31, 2006 and the three months ended March 31, 2007, respectively.

We have made payments to Cerberus and third parties on behalf of Cerberus totaling approximately $1.2 million since the 2005 Acquisition through March 31, 2007. The payments to Cerberus represent reimbursement of consulting fees paid by Cerberus to individuals who have assisted us in the evaluation of our aircraft portfolio or company purchases, including our AeroTurbine Acquisition. In addition, this amount also includes approximately $0.2 million of reimbursements for consulting services incurred by Cerberus in connection with Cerberus's evaluation of the 2005 Acquisition. If we accept services from individuals employed by or contracted through Cerberus in the future, we expect these arrangements to reflect arms'-length negotiations that will not be more favorable than the terms we could negotiate with an independent party. Payments to third parties on behalf of Cerberus consisted of payments to advisors engaged by Cerberus in connection with the 2005 Acquisition.

We lease two A320-200 aircraft to Air Canada. Both leases expire in 2014. Cerberus indirectly controls 11% of the equity of Air Canada as from September 30, 2004 and has a majority equity interest in AerCap Holdings N.V. as from June 30, 2005.

In February 2006, we entered into a guarantee arrangement with DvB Bank AG and Aozora Bank Limited, an entity that is majority owned by Cerberus. In addition, Pieter Korteweg, the Chairman of our Board of Directors, and Marius Jacques Leonard Jonkhart, a non executive director, are also on the board of directors of Aozora Bank. The guarantee supports certain of our obligations to a Japanese operating lessor of up to $13.8 million in connection with a JOL financing. The Japanese operating lessor required the guarantee as additional credit support following the 2005 Acquisition. We leased the A320 aircraft from the Japanese operating lessor under a lease and then subleased the aircraft to an aircraft operator. In the event we fail to make certain payments related to JOL financing, DvB Bank will make the payment on our behalf but will be reimbursed by Aozora Bank for any payments made. We have agreed to indemnify Aozora Bank for any payments it makes under the guarantee arrangement. The guarantee expires in February 2008. Under the terms of the guarantee arrangement,

we are required to provide cash collateral to Aozora Bank if we breach certain financial covenants. Currently we are not in breach of any of these covenants and have not provided any cash collateral. In connection with the guarantee arrangement, we pay Aozora Bank a guarantee fee of 4.1% per annum of the amount guaranteed and have provided Aozora Bank with a second priority share pledge over the shares of the entity that entered into the financing with the Japanese operating lessor.

In April 2006, we entered into a senior secured revolving credit facility in the aggregate amount of up to $1.0 billion with UBS Real Estate Securities Inc., UBS Securities LLC., Deutsche Bank Trust Company Americas and certain other financial institutions. Aozora Bank is a syndicate member under the facility and participated in up to $50.0 million of the Class A loans and up to $25.0 million of the Class B loans issued thereunder, representing 7.0% of the Class A loans and 13.9% of the Class B loans. As of March 31, 2007, we had drawn and there remained outstanding $283.8 million of the Class A loans and $53.6 million of the Class B loans.

We lease our office and warehouse located in Miami, Florida from an entity owned by the Chief Executive Officer and Chief Operating Officer of AeroTurbine. The lease for this facility expires on December 31, 2013. The lease rental was adjusted to reflect current market rates on January 2007.

In 2004, we entered into leases for six A320 aircraft with WizzAir Hungary Limited. As part of a subsequent restructuring of amounts outstanding, WizzAir agreed to issue us shares representing 17.4% of their equity as of November 2004. In 2005, we agreed with WizzAir's other shareholders and creditors to enter into a Shareholders' and Noteholders' Agreement under which we agreed to convert trade receivables into an unsecured, non amortizing € 7.8 million note, convertible into approximately 26% of WizzAir's outstanding shares on a fully diluted basis as of February 2005). Under the terms of the Shareholders' and Noteholders' Agreement we were able to appoint a director of WizzAir between February 2005 and June 2005. The convertible notes were carried on our balance sheet at December 31, 2005 at $1.8 million. We sold all of our WizzAir convertible notes in September 2006.

In January 2007, we entered into a letter of intent for the sale of two A320 aircraft to our joint venture, AerDragon. In February 2007, one of the aircraft, which was subject to a lease to Juneyao Airlines, was sold to AerDragon. The sale of the second A320, which is subject to a lease to Bangkok Airlines, is expected to be finalized in July 2007. The sale prices for these aircraft, which includes the transfer to AerDragon of the ECA-guaranteed debt relating to the aircraft which we will continue to guarantee, reflect arms-length negotiations that we believe are not more favorable than the terms that we would be able to achieve from an independent third party.

From time to time, we negotiate aircraft and engine purchase and sale transactions with affiliates of Cerberus, and may enter into such transactions in the future. We expect the terms and conditions of such transactions to be reasonable and customary for the type of transaction.

Related Party Transactions with Affiliates of our Prior Shareholders

Until the 2005 Acquisition, our previous shareholder lenders had provided us with subordinated loans for a total of $350.6 million as of December 31, 2004. The interest rates on these loans were variable and were calculated on the basis of six-month LIBOR. Interest of $10.9 million and $7.4 million was included in interest on indebtedness for the year ended December 31, 2004 and the six months ended June 30, 2005, respectively. These loans were acquired in connection with the 2005 Acquisition by AerCap Holdings C.V. and are eliminated in consolidation in our consolidated financial statements.

Our previous shareholder lenders also participated in our senior credit agreements prior to the 2005 Acquisition. A total of $1,516.6 million was outstanding under these credit agreements as of

December 31, 2004. The interest rate on the credit facility is variable and is calculated on the basis of LIBOR. Interest on the senior debt of $61.6 million and $34.8 million was included in interest on debt for the year ended December 31, 2004 and for the six months ended June 30, 2005, respectively.

Wings is a wholly-owned subsidiary of DASA, who is wholly-owned by one of our previous shareholder lenders. We provide aircraft lease management and remarketing services to Wings for which we received fees of $1.6 million and $0.7 million for the year ended December 31, 2004 and the six months ended June 30, 2005, after which Wings was no longer a related party due to the sale of our shares by our previous shareholder lenders.

Quantitative and Qualitative Disclosures About Market Risk

Our primary market risk exposure is interest rate risk associated with short and long-term borrowings bearing variable interest rates and lease payments under leases tied to floating interest rates. To manage this interest rate exposure, we enter into interest rate swap and cap agreements. We are also exposed to foreign currency risk, which can adversely affect our operating profits. To manage this risk, we enter into forward exchange contracts.

The following discussion should be read in conjunction with Notes 1, 2 and 11 to our audited consolidated financial statements contained in this prospectus, which provide further information on our derivative instruments contained in this prospectus.

Interest Rate Risk

The rentals we receive under our leases are based on fixed and variable interest rates. We fund our operations with a mixture of fixed and floating rate U.S. dollar denominated debt and finance lease obligations. An interest rate exposure arises to the extent that the mix of these obligations are not matched with our assets. This exposure is primarily managed through the use of interest rate caps and interest rate swaps using a cash flow based risk management model. This model takes the expected cash flows generated by our assets and liabilities and then calculates by how much the value of these cash flows will change for a given movement in interest rates. Our policy is to seek to ensure that the net worth of our business will not be exposed to more than a $15 million movement from a 1% parallel shift in US dollar interest rates across the yield curve.

Under our interest rate swaps, we pay fixed amounts and receive floating amounts on a monthly basis. The caps and swaps amortize based on a number of factors, including the expiration dates of the leases under which our lessees are contracted to make fixed rate rental payments and the three or six month LIBOR reset dates under our floating rate leases. Under our interest rate caps, we will receive the excess, if any, of LIBOR, reset monthly or quarterly on an actual/360 adjusted basis, over the strike rate of the relevant cap.

The table below provides information as of March 31, 2007 regarding our derivative financial instruments that are sensitive to changes in interest rates on our borrowing, including our interest rate swaps and caps. The table presents the initial notional amounts and weighted average interest rates by contracted maturity dates. Notional amounts are used to calculate the contractual payments to be

exchanged under the contract. Weighted average variable rates are based on implied forward rates in the yield curve at the applicable date.

	2007	2008	2009	2010	2011	Thereafter	Total	Fair value
				(US dollars in thousands)				
Interest rate caps								
Notional amounts	$ 75,000	$ 575,000	$ 575,000	$ 355,000	$ 260,000	$ 776,000	$ 2,616,000	$ 18,751
Weighted average strike rate(1)	4.90%	5.59%	5.04%	5.05%	5.63%	5.42%	5.33%	
Interest rate swaps								
Notional amounts	$ —	$ 60,000	$ —	$ —	$ —	$ —	$ 60,000	$ 277
Weighted average pay rate	—	5.38%	—	—	—	—	5.38%	
Weighted average receive rate	—	5.35%	—	—	—	—	5.35%	

(1) In June 2007, we amended six interest rate caps with two hedge counterparties. The strike rates included in the weighted average strike rates presented in the table above were amended from 4.89% to 5.55% in respect of one interest rate cap and from 4.90% to 5.55% in respect of five interest rate caps.

As of March 31, 2007, the interest rate swaps and caps had notional amounts of $2.7 billion and a fair value of $19.0 million. The variable benchmark interest rates associated with these instruments ranged from one to six month LIBOR.

Our Board of Directors is responsible for reviewing and approving our overall interest rate management policies and transaction authority limits. Specific hedging contracts are approved by the treasury committee acting within the overall policies and limits. Our counterparty risk is monitored on an ongoing basis, but is mitigated by the fact that all of our interest rate derivatives, except Aircraft Lease Securitisation's derivatives, require two-way cash collateralization. Our counterparties are subject to the prior approval of the treasury committee.

Foreign Currency Risk and Foreign Operations

Our functional currency is the U.S. dollar. As of March 31, 2007, all of our aircraft leases and all of our engine leases were payable in U.S. dollars. We incur Euro-denominated expenses in connection with our offices in The Netherlands and Ireland. For the year ended December 31, 2006, our aggregate expenses denominated in currencies other than the U.S. dollar, such as payroll and office costs and professional advisory costs, were $38.0 million in U.S. dollar equivalents and represented 25.5% of total selling, general and administrative expenses. We enter into foreign exchange contracts based on our projected exposure to foreign currency risks in order to protect ourselves from the effect of period over period exchange rate fluctuations. Mark-to-market gains or losses on such contracts are recorded as part of selling, general and administrative expenses since most of our non-U.S. denominated payments relate to such expenses. Since we currently receive substantially all of our revenues in U.S. dollars and we hedge a material portion of our non-dollar denominated expenditures, we do not believe that a change in foreign exchange rates will have material impact on our results of operations. However, the portion of our business conducted in foreign currencies could increase in the future, which could increase our exposure to losses arising from currency fluctuations.

Inflation

Inflation generally affects our costs, including selling, general and administrative expenses and other expenses. However, we do not believe that our financial results have been, or will be, adversely affected by inflation in a material way.

Other Contingencies

VASP Litigation

We leased 13 aircraft and three spare engines to Viacao Aerea de Sao Paulo, or VASP, a Brazilian airline. In 1992, VASP defaulted on its lease obligations and we commenced litigation against VASP to repossess our aircraft. In 1992, we obtained a preliminary injunction for the repossession and export of 13 aircraft and three spare engines from VASP. We repossessed and exported the aircraft and engines in 1992. VASP appealed this decision. In 1996, the High Court of the State of Sao Paulo ruled in favor of VASP on its appeal. We were instructed to return the aircraft and engines to VASP for lease under the terms of the original lease agreements. The High Court also granted VASP the right to seek damages in lieu of the return of the aircraft and engines. Since 1996 we have pursued this case in the Brazilian courts through various motions and appeals. On March 1, 2006, the Superior Court of Justice dismissed our most recent appeal and on April 5, 2006 a special panel of the Superior Court of Justice confirmed the Superior Court of Justice decision. On May 15, 2006 we appealed this decision to the Federal Supreme Court. On February 23, 2006, VASP commenced a procedure for the calculation of the award for damages and has appointed an expert to assist the court in calculating damages. Both we and VASP have the right to appoint our own expert to assist the court appointed expert in this process. Our external legal counsel has advised us that even if we lose on the merits, they do not believe that VASP will be able to demonstrate any damages. We continue to actively pursue all courses of action that may be available to us and intend to defend our position vigorously.

We are currently pursuing claims for damages in the English courts against VASP based on the damages we incurred as a result of the default by VASP on its lease obligations. In October 2006, the English Courts approved our motion to serve process upon VASP in Brazil. VASP will be served process in Brazil, by means of a rogatory letter which is currently being processed before the Brazilian Superior Court of Justice. Our management, based on the advice of external legal counsel, has determined that it is not necessary to make any provisions for this litigation.

Swedish Tax Dispute

In 2001, Swedish tax authorities challenged the position we took in tax returns we filed for the years 1999 and 2000 with respect to certain deductions. In accordance with Swedish law, we made a guaranty payment to the tax authority of $16.8 million in 2003. We appealed the decision of the tax authorities, and, in August 2004, a Swedish Court issued a ruling in our favor, which resulted in a tax refund of $19.9 million (which included interest and the effect of foreign exchange movements for the intervening period). In September 2004, the Swedish tax authorities appealed the decision of the Court and filed an appeal with the Administrative Court of Appeal in Sweden. We have responded to this appeal and have requested an oral hearing on the matter. The Court has responded that it will schedule an oral hearing, but we have not yet received a notice of the timing of such hearing. Our management, based on the advice of our tax advisors, has determined that it is not necessary to make any provisions for this tax dispute.

Recent Accounting Pronouncements

In September 2006, the FASB issued SFAS No. 157, "*Fair Value Measurements*". SFAS 157 prescribes a single definition of fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. SFAS 157 is effective for us beginning as of January 1, 2008. We do not anticipate that the adoption of SFAS 157 will have a material effect on our financial statements or our results of operations.

In February 2007, the FASB issued Statement No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities* (FAS 159). This statement, which is expected to expand fair value measurement, permits entities to choose to measure many financial instruments and certain other items at fair value. FAS 159 is effective for us beginning in the first quarter of 2008. We are currently assessing the impact FAS 159 may have on our consolidated financial statements.

AIRCRAFT, ENGINE AND AVIATION PARTS INDUSTRY

Introduction

The information and data contained in this prospectus relating to the commercial aircraft industry has been provided by Simat, Helliesen & Eichner, Inc. ("SH&E"), an international air transport consulting firm, relied upon as an expert. See "Experts". SH&E has advised us that this information is drawn from its database and other sources and that: some information in SH&E's database is derived from estimates or subjective judgments; the information in the databases of other commercial aircraft data collection agencies may differ from the information in SH&E's database; and although SH&E has taken reasonable care in the compilation of the statistical and graphical information and believes it to be accurate and correct, data compilation is subject to limited audit and validation procedures, and may accordingly contain errors. The historical and projected information in this prospectus relating to the aircraft, engine and aviation parts industry that is not attributed to a specific source is derived from SH&E's internal analyses, estimates and subjective judgments.

Executive Summary

The business of owning leasing and trading aircraft, engines and parts is influenced by several key industry drivers, including demand for air travel and aircraft and engine fleet development. Key trends in the industry include:

- Rapid economic growth, increasing per capita incomes in emerging markets, air transport liberalization and international trade are driving passenger and cargo traffic demand;
- Technological development and increasing demand for newer aircraft, combined with demand for renewal of the freighter fleet, is expected to drive substantial passenger fleet replacement requirements over the next decade;
- Despite the desire to replace older aircraft with newer, more efficient aircraft models, the present shortage of aircraft is delaying retirement and sustaining a ready market for many older aircraft;
- The commercial aircraft leasing market now accounts for approximately 30% of the world aircraft fleet and an even higher percentage of the fast-growing low-cost carrier ("LCC") fleet;
- The aircraft operating leasing industry is expected to continue to grow over the course of the next decade;
- Demand for spare engines and parts is increasing due to the requirement to maintain aging aircraft and engine fleets that have survived the near-term replacement trends; and
- Demand for leased spare engines and parts as airlines seek to decrease capital expenditures and avoid asset ownership.

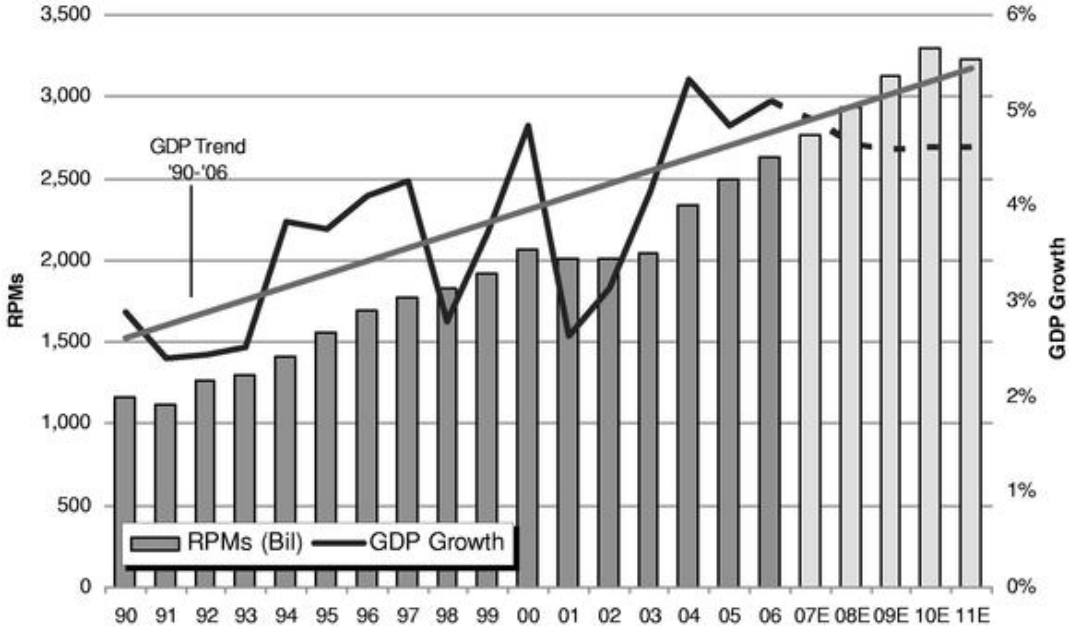
Industry Overview

Aircraft demand derives from the demand for passenger and cargo air transport. The demand for air transport is closely tied to economic activity and has historically grown at around 1.5 to 2.0 times the long-term growth rate in gross domestic product. The translation of passenger and cargo traffic demand into demand for aircraft units is impacted by a number of factors as airlines attempt to optimize their fleets for particular network structures and demand patterns.

Over the past five years, a series of shocks outside the industry, including the terrorist attacks in the United States of September 11, 2001, global economic recession, military actions in the Middle East, health concerns, surging fuel costs and several natural disasters have affected the demand for air transport in different regions of the world. Despite these challenges, the global economy has expanded

rapidly since 2002, driving sustained growth in worldwide travel demand and leading to positive global airline operating profits since 2004. Presently, the global airline industry continues to experience a cyclical upswing and as a result of these positive economic trends, the International Air Transport Association's ("IATA") April 2007 forecast predicts airline industry operating profits of $13.9 billion in 2007 and $19.9 billion in 2008.

Historical and Forecast World Traffic (RPMs) and GDP Growth

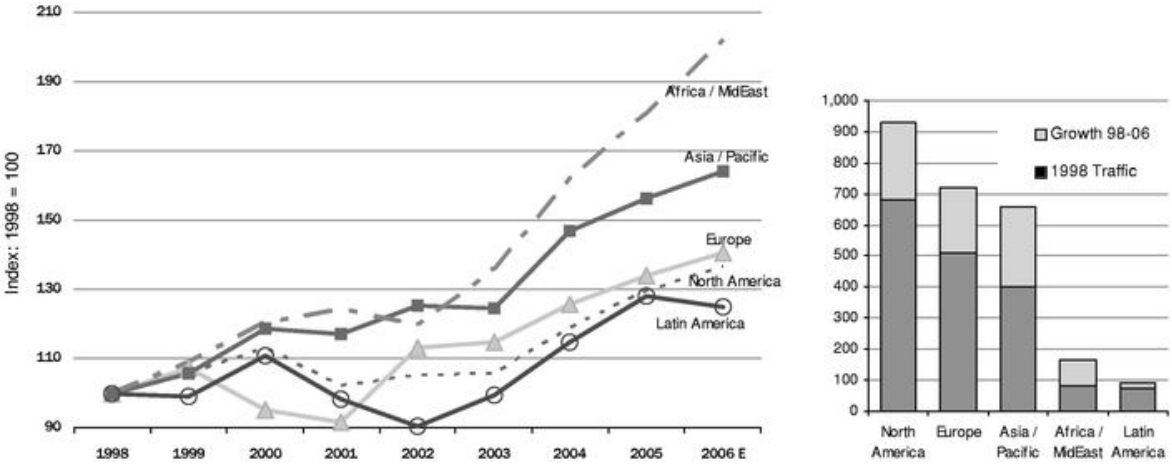


Source: Airline Monitor, January-February 2007 and International Monetary Fund ("IMF") World Economic Outlook, September 2006

According to Airline Monitor, between 1991 and 2006, global passenger traffic measured in Revenue Passenger Miles ("RPM"), the measure of passenger demand representing each mile each passenger is carried, increased by nearly 135%, or an average rate of 5.9% per year, reaching 2,635 billion RPMs in 2006. Available Seat Miles ("ASM"), the primary measure of capacity representing each mile each seat is carried whether the seat is occupied or not, have grown at an average rate of 4.8% per year for the same period, amounting to 3,480 billion ASMs in 2006. Between 1995 and 2005, air cargo traffic has grown at an average rate of 5.1% per annum, from 67 billion Revenue Ton Miles ("RTM"), the most common measure of air cargo demand, representing each mile each ton of cargo is transported, to 111 billion RTMs.

The Airline Monitor, a respected industry forecaster, projects 5.2% annual growth in passenger traffic and 5.0% annual growth in seat capacity for the next 10 years. This forecast is consistent with other industry forecasts. The Airbus 2006 Global Market Forecast predicts that air travel demand will continue to grow an average of 4.8% per year through 2025 and the Boeing 2006 Commercial Market Outlook projects 4.9% annual growth in traffic for the next 20 years. Air cargo demand globally is expected to grow even faster than passenger demand. For the next 20 years Airbus and Boeing forecast annual growth of 6% and 6.1%, respectively.

Historical Traffic Growth by Carrier Region (RPM)



Source: 1998-2005 Airline Business and latest 2006 data based on IATA estimates

Passenger demand in North America, Europe and Latin America rebounded strongly from 2001 lows, while traffic in Asia, Africa and the Middle East, regions that are less dependent than Europe or Latin America on the U.S. market, have experienced steady growth since 1998. Today, air travel is rapidly becoming a more accessible alternative to land transportation for a growing proportion of the world's population, especially in high-growth emerging markets.

Drivers of Aircraft Demand

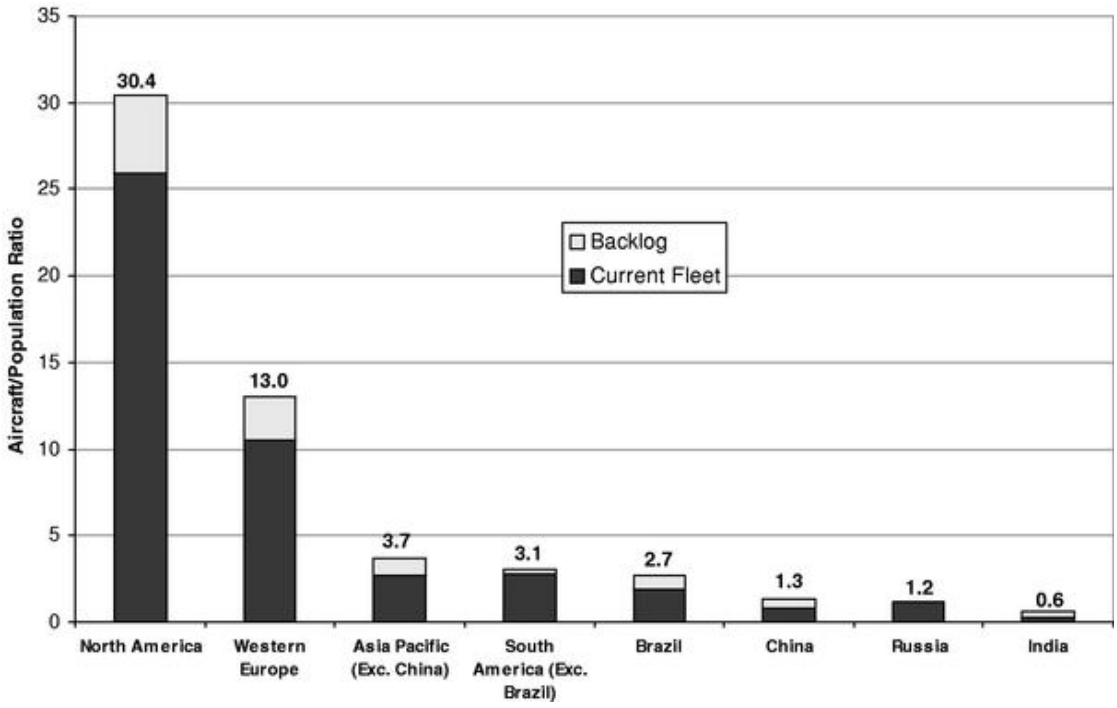
The world fleet is expected to grow steadily as airlines continue to develop service offerings that accommodate the world's rapidly growing travel demand. Key elements that are currently driving growth in demand for both new and used aircraft include:

- High rates of economic growth in emerging markets and increasing propensity to travel in these regions;
- Stable growth in traffic demand in mature markets such as North America and Europe;
- Relaxation of regulatory constraints on air service between countries and on new carrier development within countries; and
- Increasing LCC penetration globally which continues to drive traffic growth rates upward and drive demand for increased seat capacity.

Market Growth & Liberalization

Emerging markets, especially those with large populations distributed over a broad geographic area, tend to have very small commercial passenger jet aircraft fleets relative to total population size. Their low aircraft to population ratios, which are generally less than one-tenth the ratio of the U.S. aircraft-to-population ratio, highlight the growth potential in these markets. According to Aircraft Analytical System ("ACAS") fleet data and International Monetary Fund ("IMF") population figures, for every one million people in North America, there are approximately 26 aircraft in the current fleet. In contrast, India, Russia and China have approximately one or fewer aircraft per million of population.

Current Aircraft Fleet to Population Ratio by Region



Source: ACAS, IMF, SH&E Analysis

If per capita incomes in these emerging economies continue to rise and regulatory restrictions continue to be relaxed, it is reasonable to expect the fleet size of these markets to increase substantially in the next decade. Prospects for specific emerging market regions are discussed in more detail in the regional aircraft demand discussion below. While the mature intra-European and intra-North American markets exhibit lower growth rates, the absolute demand for aircraft units is expected to remain high given the large existing traffic base in these regions.

Furthermore, continued liberalization of air travel is also expected to fuel demand for additional aircraft. Many countries are continuing to enter into new bilateral agreements or "open-skies" accords that will further liberalize international air travel and continue to create opportunities for new flights, new routes and new operators. In March 2007, the U.S. and the European Union agreed to a long-awaited open skies accord that will commence in March 2008 and will spur significant new route service opportunities. The primary element of the accord allows carriers based in the 27 European Union member states to fly from any European Union city to any U.S. city, while U.S. carriers will have the right to fly to any European Union airport, including London Heathrow. Continental has already made clear its expectations to open new Houston-London Heathrow and Cleveland-Paris routes, and other carriers are also providing indications of new services that will be offered. This is an example of why further liberalization is expected to drive demand for long-range mid-size aircraft, as international travel spreads to mid-sized cities between major global regions and will enable carriers to meet traffic demand growth more effectively on North Atlantic, Trans-Pacific and Europe-Asia routes. Aircraft such as the Boeing 777 and 767, the Airbus A330 and eventually the Boeing 787 and Airbus A350 are the aircraft types best positioned to take advantage of fragmenting long-haul markets.

Critically, the current round of liberalization has extended to encourage the launch of new, low-fare carriers in emerging market countries, where robust economic growth faces pent-up demand for air travel. In the past two years alone, six new airlines were launched in Mexico (InterJet, Avolar,

Volaris, ALMA, vivaAeroBus, Aladia), six new airlines were announced in India (SpiceJet, Kingfisher, GoAir, IndiGo Airlines, Indus Airways, Paramount), three new airlines were launched in the former socialist countries of Central Europe (Centavia, Central Connect, Direct Fly), and two new airlines were launched in Thailand (NOK Air, Thai Sky Airlines). If sustained, ongoing rapid economic development in emerging markets is expected to continue to fuel demand for new aircraft, including narrowbody aircraft, for many years to come. This expansion is expected to drive continued demand for efficient narrowbody aircraft such as the Boeing 737 and Airbus A320, as untapped domestic markets of China, India, Brazil and Mexico continue to develop.

Low Cost Carriers

The increasing presence of LCCs across the world is generating additional demand for aircraft by creating new markets, and stimulating traffic demand with low fares. Given the importance of high asset utilization and service frequency, LCC fleet growth has predominantly focused on efficient and reliable narrowbody aircraft such as the Airbus A320 and the Boeing 737.

LCCs have existed since the early 1970s, when Southwest Airlines began service in the United States. Although much of the early growth was in North America, the LCC presence has strengthened in other world markets, particularly Europe. In Great Britain, Ireland and parts of Western Europe, LCCs now represent a larger proportion of intra-regional capacity than their peers in North America. According to the Official Airline Guide ("OAG"), LCCs accounted for 25.4% of intra-regional seat departures in Europe versus the 28.9% of U.S. domestic seat departures accounted for by U.S.-based LCCs. The continued enlargement of the European Union is extending the fully liberalized European marketplace and opening new markets to LCC expansion. As a result, LCCs such as Wizz Air, Sky Europe, Centralwings and Air Berlin are exerting competitive pressure on state-owned legacy carriers, particularly in Central and Eastern Europe.

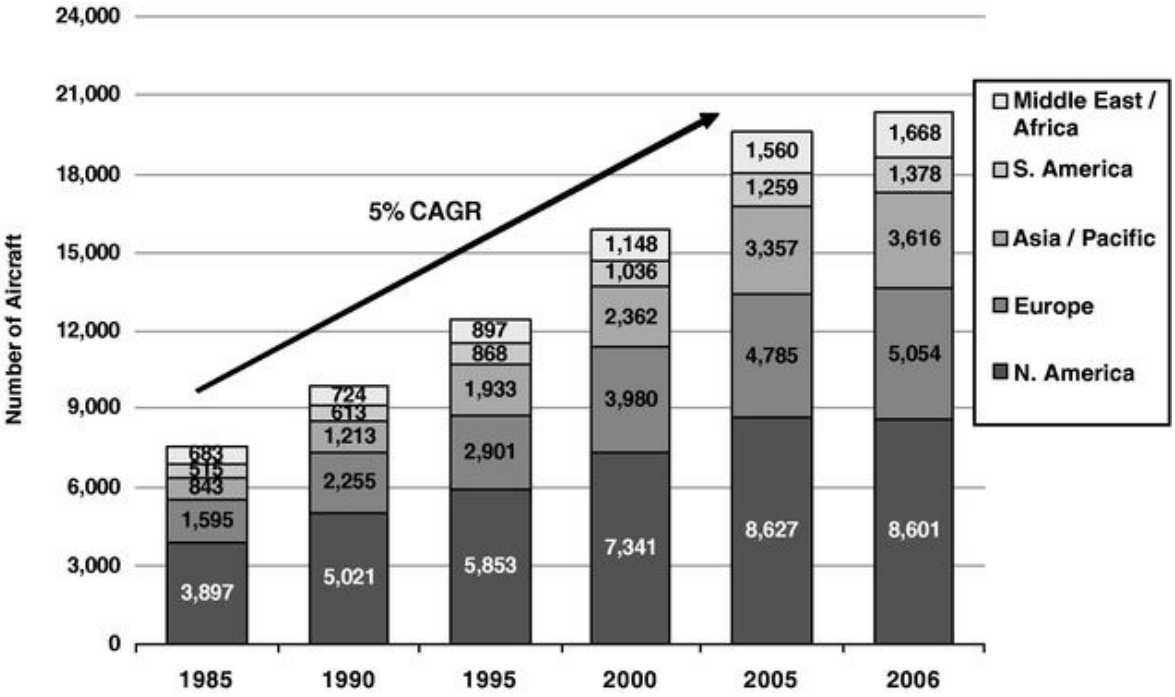
While still far behind the levels seen in North America and Europe, LCC penetration in other regions is also growing significantly. LCC capacity share in Latin America has risen due to the success of Gol Transportes Aereos in Brazil and to a new expansion of Mexican carriers. Meanwhile, Southeast Asia and Australia have seen significant penetration by LCCs, including Air Asia and Tiger Airways, which are now spreading to other parts of the Pacific region. In addition to the successful entry of LCCs into the Southeast Asian and Australian markets, the new frontiers for LCC expansion in Asia are likely to be India and China. India, with its very large population and high number of urban population centers, is poised for growth. As the Indian economy grows, it is expected that the country's accompanying air traffic expansion will be met by increased capacity on the part of existing and new start-up LCCs. Recently, LCCs have been expanding into the long-haul air service market, reflected by recent long-haul aircraft order discussions by Jetstar, Air Asia X, Virgin Blue and the start-up operation of Oasis Hong Kong.

Global and Regional Demand Growth

The world aircraft fleet has more than doubled over the last 20 years and its composition is gradually shifting from North American dominance to a more balanced distribution between regions. Of the aircraft in the 2006 world aircraft fleet, approximately 23.0% are widebodies, 60% narrowbodies, and 17.0% regional jets.

Historically, North America and Europe have accounted for the bulk of global aircraft demand, while the Asia-Pacific region has shown the fastest fleet growth, with an average of 7.2% per year since 1985. In North America and Europe, fleet growth rates are expected to slow relative to prior decades, while the Asia-Pacific region and Latin America are expected to generate much faster demand growth over the coming decade.

Historical Fleet Growth by Region



Source: ACAS, December 2006
Note: "CAGR" is Compound Annual Growth Rate

North America. Despite high fuel prices, 2006 proved to be a turnaround year for many North American carriers. Years of progress in reducing costs were finally matched by a strong revenue environment. The availability of Chapter 11 protection for several airlines helped support this environment by enabling uncharacteristic domestic capacity cuts. In April 2007, IATA updated its forecast for North American carriers to reflect the $7.4 billion operating profit for 2006 versus an operating loss of $300.0 million in 2005. Excluding $9.0 billion in restructuring costs, which are primarily related to the Northwest and Delta bankruptcies, North American carriers are reported to have earned a net profit of $3.3 billion in 2006.

In North America, new aircraft order activity has been largely dominated by the LCCs over the last several years. According to ACAS, 41% of the North American order backlog is represented by LCCs such as AirTran, Southwest and Westjet. Despite the large order books, however, LCCs look set to exercise capacity restraint in 2007, as evidenced by AirTran and JetBlue delivery deferrals.

Major U.S. airlines such as American, United, Delta, US Airways and Northwest will likely be part of the next round of new aircraft orders, though the bulk of consequent deliveries will likely be many years in the future. While new aircraft deliveries and fleet growth may lag behind the rest of the world in the next five years, the sheer size of replacement requirements will drive the largest market for narrowbody aircraft globally. In addition to replacement needs for the North American passenger fleet, the freighter fleet requires modernization.

Asia-Pacific. Despite epidemics and natural disasters, Asian traffic, which was less affected by the terrorist attacks of September 11, 2001 than the United States and Europe, has experienced continued growth in recent years. The Chinese market presents the primary growth engine in the region; passenger traffic growth has been very strong, with the number of passengers handled by China's airports reaching nearly 140 million in 2005, an increase of more than 15% from the prior year. Although medium-term growth in the Chinese market may be temporarily constrained by infrastructure

and capacity limits, the Civil Aviation Administration of China plans to invest over $17.4 billion in airport development and build more than 40 airports to address these infrastructure needs over the next five years, according to Airline Business (April 2006). According to ACAS, Chinese carriers took delivery of 247 new aircraft from 2005 through 2006 and the current order backlog for Chinese airlines totals 735 aircraft, nearly all of which are expected to be delivered within the next five years. The domestic market has enormous potential and according to the Airbus Global Market Forecast 2006, the Chinese outbound tourism market is expected to be the fastest growing in the world.

India, a country with over one billion people, representing 15% of the global population, experienced limited air service growth during recent decades. This changed dramatically however, in 2003 following moves by the government to liberalize the air transport sector. The present strong traffic growth is expected to continue, with India's GDP growth expected to amount to 7.3% for 2006 and forecasted to be 7% in 2007, according to the IMF 2006 World Economic Outlook. In its 2006 Traffic Forecast, Airbus estimated that domestic traffic growth in India would average 7.7% annually over the next 20 years. Indian carriers took delivery of 50 aircraft in 2006 and account for a current backlog of 382 jet aircraft. Despite the demand, Indian carriers are in danger of growing capacity too quickly and many carriers are operating at substantial losses at present. In order to accommodate this dramatic fleet increase, India is expected to continue to invest in airport and passenger handling infrastructure to enable carriers to diversify route networks and focus on earning yields above break-even levels.

In addition to the projected potential for substantial growth in India and China's traffic, economic recovery in Japan and continued growth in Korea and Southeast Asia is expected to contribute to continued demand. Also, the Southeast Asian carriers continue to grow and develop new service opportunities and startup carriers as evidenced by the success of LCCs such as AirAsia and Tiger Airways.

Europe. Air travel growth prospects for Eastern Europe are very positive, with seven countries ranking in IATA's list of the top 20 countries demonstrating the highest compounded annual growth rates in passenger traffic for 2005-2009. This passenger growth is being driven by European Union enlargement, which has bolstered the region's economic growth, promoted liberalization in the aviation market, and encouraged the establishment of several LCCs. Approximately 50.0% of the European order backlog is represented by LCCs such as Ryanair, easyJet, SkyEurope, Air Berlin and Air One. These carriers will likely continue to open new markets and stimulate new traffic while simultaneously shifting market share from the European flag carriers. Despite the LCC dominance over the European narrowbody order book, major European carriers such as Lufthansa and Air France continue to place orders for new long-haul aircraft while a major long-haul fleet replacement order is expected from British Airways later this year.

In Russia, air travel demand is hampered by Russian airlines' difficulties in accessing the market for efficient, Western-built aircraft. The bulk of Russia's passenger aircraft fleet is currently made up of old and inefficient Soviet-era aircraft and import duties and excise taxes on Western aircraft continue to make it difficult for many Russian airlines to replace equipment. Despite these challenges, Russia's civil aviation authority estimates that a large number of the Soviet-era aircraft in service will face retirement by 2010, driving the need for an estimated 500 aircraft to fill the capacity gap. Demand for new aircraft and limited supply of capital may result in Russia becoming a significant growth market for operating lessors in coming years.

Middle East/Africa. Air traffic in Africa and the Middle East has also grown rapidly in the last ten years. Governments in Persian Gulf states such as the United Arab Emirates and Qatar have supported the development of airlines, including Emirates Airlines, Etihad Airways and Qatar Airways, resulting in the rapid expansion of these airlines into long-haul markets. The Persian Gulf region also has two established LCCs, Air Arabia and Jazeera Airways, and two Saudi Arabia-based LCCs are set to launch in 2007.

Africa is also experiencing growing demand for air travel, and major European carriers have started to add capacity to the continent. The interest in lucrative African routes, often governed by restrictive bilateral air service agreements that limit the number of carriers that can operate each route, is evidenced by the Lufthansa-Swiss International merger, which the German carrier hailed as an opportunity to gain valuable new route access to Africa. Further attesting to the region's positive outlook, several carriers made news in recent years. They included Ethiopian Airlines with an order for ten Boeing 787s; South African Airways with its entry into the Star Alliance in April 2006; Kenya Airways with its invitation to become an associate member of the SkyTeam alliance; and the recently launched Virgin Nigeria Airways.

Latin America. Since 2001, most Latin American economies have experienced an economic upturn, according to the International Monetary Fund's 2006 World Economic Outlook. Several airlines in the region ceased operations in recent years, but the increased liberalization of domestic and international air transport markets has spurred renewed investment, reorganization and consolidation in the airline sector. Growth potential in large domestic markets such as Mexico and Brazil is substantial, and several well-run carriers are taking advantage of this demand. Industry consolidation is expected to generate savings through economies of scale and expand the airlines' route networks, which should improve service levels and stimulate further traffic growth. As discussed earlier, LCC capacity share in Latin America has risen, driven by growth in Brazil and Mexico. During the past year, Mexico saw five new ventures and Brazil's Gol, which had successfully established itself in domestic service, continued to expand its reach outside of Brazil with the acquisition of Varig in 2007.

Drivers of Aircraft Replacement

Airline fleet planners must not only evaluate aircraft choices to cover an airline's growth requirement, but must also assess the economic and strategic feasibility of fleet renewal. Replacement demand derives from the need to remove aircraft with unattractive operating economics and poor reliability from carrier fleets. Replacement can be achieved through the new aircraft market by ordering aircraft from manufacturers, or can take place via the used market through buying or leasing 5-10 year old newer generation equipment. Several developments in the industry indicate a growing need for replacement over the course of the next decade.

Industry Restructuring and Consolidation

In North America, the legal protection provided by Chapter 11 of the United States Bankruptcy Code and similar provisions in Canada has allowed carriers to restructure their operations, including reorganizing schedules, restructuring debt, rationalizing fleets, reducing labor costs and lowering pension liabilities. The ability of carriers in bankruptcy to shed inefficient capacity has greatly contributed to the overall yield improvement evident in the U.S. market during 2006. If the major U.S. airlines continue to recover, these carriers must eventually replace their existing fleets with more modern, fuel-efficient aircraft.

Large European network carriers, particularly Lufthansa, Air France/KLM and British Airways, have achieved significant cost savings and material revenue growth improvements by concentrating on more lucrative long-haul operations rather than marginally profitable short-haul flights. All three carriers have recently expanded operations to India and East Asia, especially China, and all have recently placed new orders for long-haul aircraft. Despite some recent failed attempts, many industry observers are predicting significant global consolidation in coming years.

Regardless, while the rate of fleet growth of the North American and European carriers will be lower than regions such as Asia and Latin America, the coming need for fleet replacement and the substantial absolute size of these fleets will continue to translate into a substantial share of long-term deliveries for carriers in these regions.

Relative Operating Economics

Increased energy prices have largely hidden the effects of the efficiency gains and cost-cutting efforts undertaken by airlines since 2001. The U.S. Department of Energy reports New York jet fuel prices increased by 123% between December 2003 and April 2007 in U.S. dollar terms and 106% in Euro terms. The sustained high price of fuel may have significant ramifications for the health of the air transport industry. IATA reports that the industry fuel bill increased from $44 billion (14% of cost) in 2003 to $111 billion (26% of cost) in 2006. IATA expects total fuel costs to have increased to $117 billion (26% of costs) in 2007 and forecasts it to drop to be $112 billion (24% of costs) in 2008. Despite some relief in crude oil prices in 2007, IATA expects crude oil prices to average $61 per barrel in 2007 and notes that with profitable fuel hedges coming to an end for many carriers, the jet fuel bill is expected to remain a large proportion of operating costs for the foreseeable future.

Expectations that fuel prices will remain high in coming years is beginning to spur plans for accelerated fleet replacement, particularly for the oldest aircraft in the global fleet. Despite the desire to replace certain aircraft, however, many carriers simply cannot access newer equipment given the lack of supply in the market.

Technological Advancement

Aircraft replacement is also clearly driven by technological advancement. Aircraft manufacturers must balance the development and introduction of new technology with existing resource constraints and current product-line considerations. The development cycles for new aircraft are long and often require dramatic changes mid-course as evidenced by Boeing's cancellation of the Sonic Cruiser program and Airbus' multiple iterations of the A350 design (Airbus launched the A350XWB in late 2006 designed to eventually replace both the A330/A340 and compete with the 777 and 787 with deliveries expected to commence in 2013). In addition, once aircraft are successfully launched and developed, it takes several years for the type to achieve the critical mass necessitating large scale fleet replacement. Large scale deliveries of the newest technology widebody aircraft are still several years away, but these aircraft will have a certain impact on the market for the aircraft types they are designed to replace.

Aircraft Supply

The supply of aircraft is determined by the number of new aircraft the manufacturers are able to deliver, as well as the fleet retirement and freighter conversion decisions of airlines, which are based on assessments of the interaction between relative aircraft economics and the levels of passenger traffic and yield.

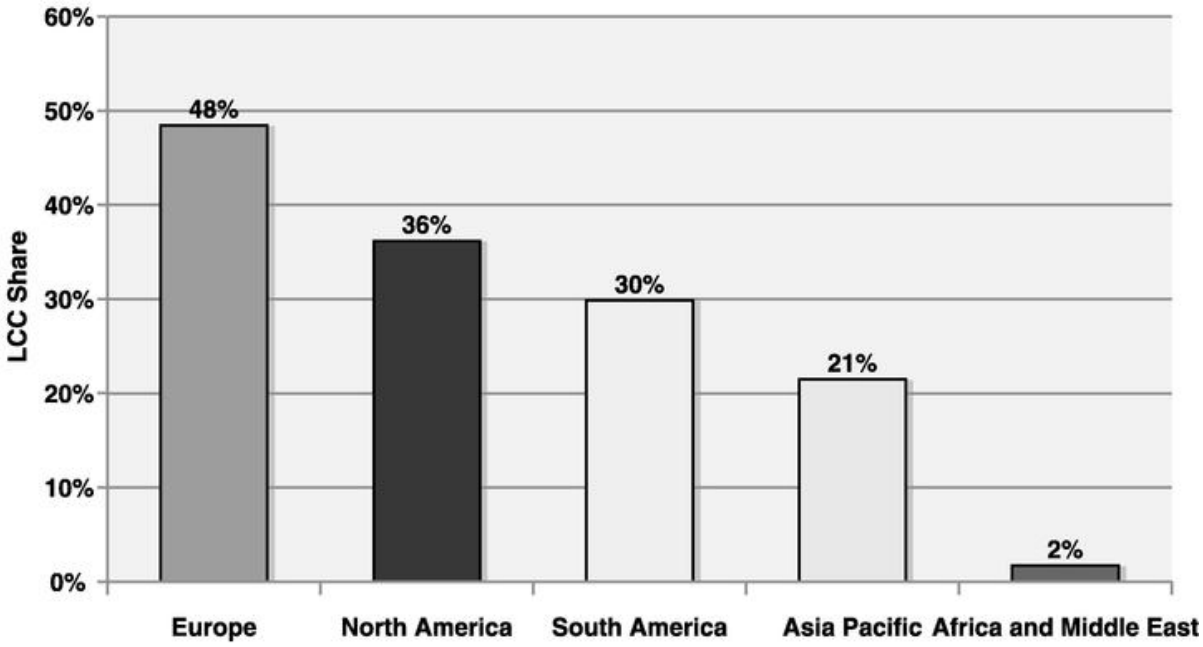
New Delivery Outlook

The airline industry's financial challenges in 2001-2003 impacted aircraft and engine manufacturers. Airbus, Boeing, Pratt & Whitney, General Electric and Rolls-Royce implemented production cutbacks during that period. While neither Boeing nor Airbus experienced a high number of outright cancellations during the downturn, they deferred deliveries and adapted to much lower levels of new orders. By 2005, however, the economic recovery and rising demand for travel pushed aircraft orders to record highs. 2006 proved to be another bumper year for new aircraft orders and, despite expanded production capability since 2003, the manufacturers are reported to be largely sold out through 2010.

The current order backlog provides the best indication of the allocation of deliveries expected in the coming years. More than 5,600 aircraft are currently on order and most are due to be delivered over the next five years. Of 4,829 orders with specified customers, 40% have been ordered by Asia-Pacific carriers, another 25% of orders are destined for North America, and 23% for Europe. Furthermore, 1,478 aircraft (26% of the backlog) are on order by LCCs.

LCCs in Europe and North America account for a disproportionate share of the aircraft order books relative to their share of traffic in these regions. It is clear that these carriers will continue to grow faster than their traditional network counterparts, particularly in these regions which are characterized by more mature and fragmented intra-regional travel markets.

LCC Share of March 2007 Order Backlog, by Region



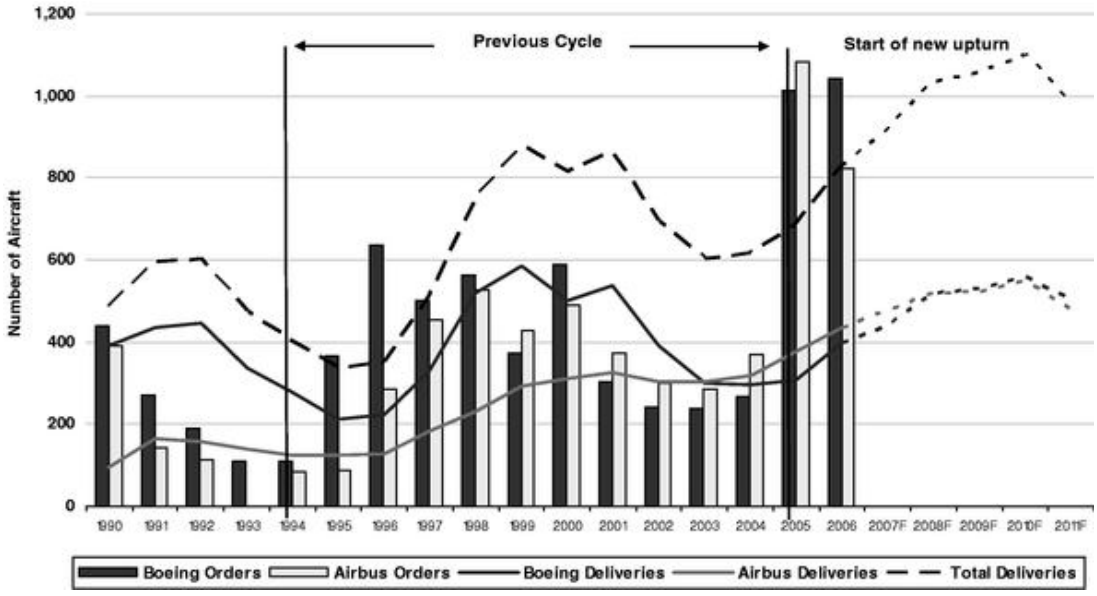
Source: ACAS March 2007; SH&E Analysis

Boeing is expected to maintain production discipline despite temptation to invest in new production capacity to satisfy near term demand. It has announced expectations that it will deliver approximately 440 aircraft in 2007 and up to 515 in 2008 as the 787 production begins. The 787 delivery stream will likely mitigate a potential cyclical demand downturn that may occur in coming years, since the initial several years of deliveries reflect significant pent-up demand for the mid-sized long-haul market segment.

Having outperformed Boeing for years, Airbus faced a difficult year in 2006 and prospects for coming years will continue to bring significant challenges. Delays to the A380 delivery stream, several attempts to launch a commercially successful competitor to the 787 and 777 and political and management upheaval continue to place the manufacturer in a difficult cash position. The recent introduction of the Power8 restructuring program will help Airbus address these problems by reducing overhead, increasing the speed of aircraft development, relying more heavily on the supply chain and increasing the efficiency of its manufacturing process. It is expected that Airbus will leverage its popular A320 family and A330 production lines while restructuring takes place. In line with this expectation, Airbus recently announced intentions to bring A320 family production from 32 per month to 36 per month by the end of 2008. From 2009, Airbus plans to produce up to four additional A320 family aircraft per month in China.

Based on potential build rates and planning from Boeing and Airbus, the chart below illustrates SH&E's view as to the expected level of new aircraft deliveries from the two manufacturers over the next five years. It is possible, however, that constraints in the supply chain (such as access to titanium and carbon fiber material) may prevent Boeing and Airbus from fully meeting production goals.

World Aircraft Orders and Deliveries (1990-2006) and Delivery Forecast

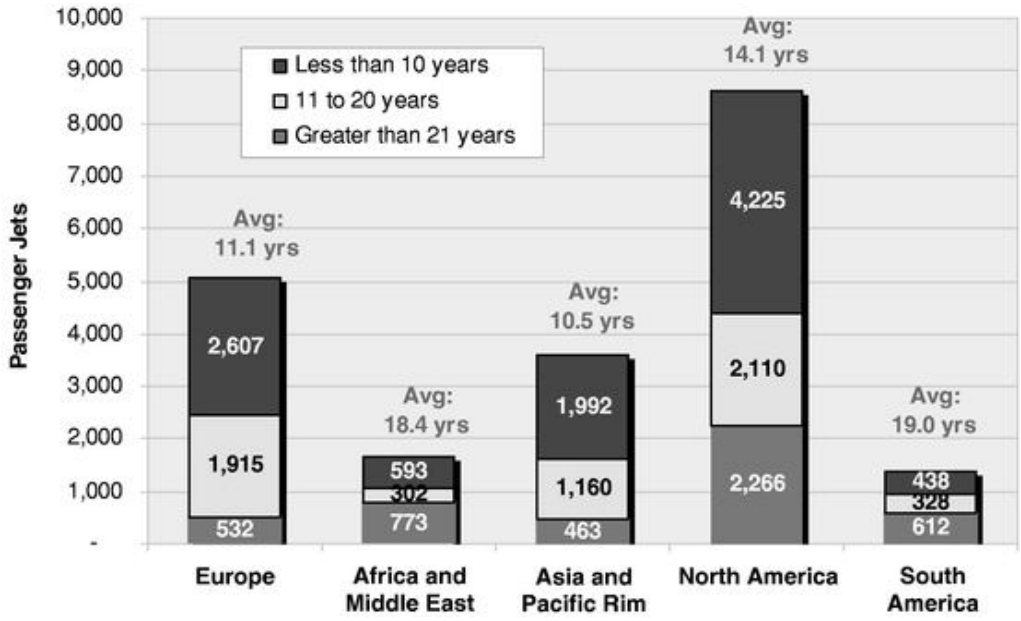


Source: ACAS, December 2006, Forecast: SH&E

Aircraft Retirement Outlook

Airlines order new aircraft not only to grow their businesses, but also to replace older less-efficient aircraft in their fleets, and current high fuel prices are accelerating such replacements. If carriers are able to execute on their fleet replacement plans and there is no demand for additional use of an aircraft by another operator, the aircraft will be permanently retired. The chart below shows that North America, Africa and Latin America will have a greater need for fleet replacement in the near term given their aging fleets.

Commercial Jets—Average Fleet Age, 2006



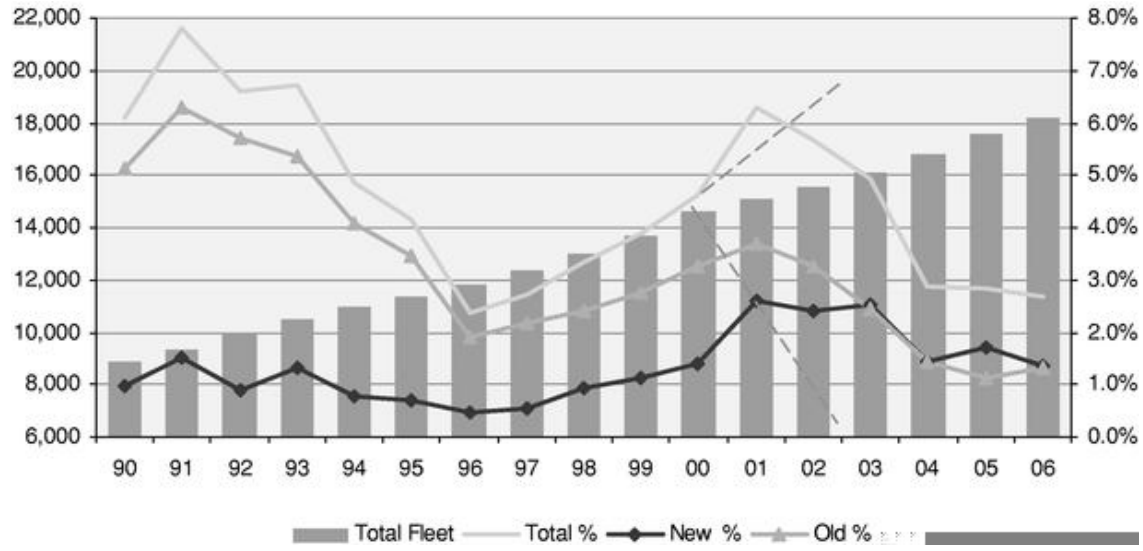
Source: ACAS, December 2006

According to ACAS, more than 2,200 aircraft were parked in temporary or permanent storage as of December 2006. Based on SH&E's observations, approximately 1,600 of these aircraft are obsolete and are highly unlikely to ever re-enter operational service. The number of aircraft being officially retired from service or being scrapped for parts spiked during 2001 and 2002 and tapered off slightly in recent years as aircraft demand rebounded. Based on historically derived curves, SH&E expects the need for aircraft retirement to increase over the next few years as the fleet ages and marginal aircraft are removed from service. It should be noted that there are over 1,250 Stage 2 (Stage 2 refers to aircraft that do not comply with FAR Part 36, Stage 3 and ICAO Annex 13, Chapter III noise level limits and are restricted from operating in most jurisdictions) aircraft still in service and SH&E believes that the retirement rate should increase to over 350 retirements for each of the next three years.

Used Aircraft Market

In line with the cyclical demand recovery, the number of available used aircraft as a share of the total fleet has declined steadily since 2002. The percentage of the world fleet that was available for sale or lease at the end of 2005 fell below 3%, nearing the lows experienced in 1996. In addition, the vast majority of the "old" aircraft types reflected below are aircraft models that simply do not have sufficient reliability or operating economics to warrant service re-entry.

Aircraft Availability



Source: Airline Monitor, February 2007
Notes: (1) New aircraft include: 737-300 to 900, 757, MD-80/90, A-319/320/321, BAe 146, F-70/100, CL-600, EMB, 747-300/400, 767,777, MD-11, A-300-600, A-310 & 330/340; (2) Old aircraft include: 707, DC-8, DC-9, 727,737-100/200, F-28, BAC-1-11, Caravelle, L-1011, DC-10, 747-100/200, A-300B4-100/200.

The few new generation aircraft that are available on the used market are typically being marketed in advance and not actually available until 9 to 12 months in the future. These types have large user bases that are continuing to expand as the operators produce additional units and supply is severely limited. These supply shortages of the newer aircraft types have led to substantial increases in lease rates and values for a number of new generation aircraft types, particularly the A320 family and 737NG family, which are highly favored by LCCs and start-up carriers, but also form the backbone of major network carrier short-haul networks. Supply of efficient widebody aircraft is also severely constrained, particularly since deliveries of new 767-300ERs fell substantially once the 787 order book gained momentum. As described earlier, increasing liberalization is fragmenting long-haul markets and this has led to a high degree of pent-up demand for mid-size long-haul aircraft such as the 767-300ER and

A330. Supply is effectively zero and during 2006 it was clear that manufacturers were not able to satisfy demand. This demand filters directly down into the Generation 2 used aircraft market which also exhibits supply shortages. Aircraft such as 767-300ERs, 757-200s and 737 Classics are experiencing strong demand and will largely remain in service despite the fact that early build examples of these types are nearing retirement age.

As discussed previously, the expected production rates at both major manufacturers will only partially alleviate the supply shortfall and, as a consequence, 737 Classics, 757s, early vintage A320 and 767-300ER aircraft are likely to remain in demand for a number of years to come, even with modest traffic growth. The relative efficiency of these types is clearly sufficient to pass the operating cost differential test described above and airlines continue to operate such aircraft profitably. In essence, the lower ownership costs of this category of equipment offsets the fuel savings of the latest generation of aircraft. This indicates that excess demand and high lease rates for new equipment is helping to extend passenger service operating lives of such aircraft. Once the market nears equilibrium and sufficient aircraft supply exists to satisfy passenger demand, many of the aforementioned aircraft type fleets will likely be partially transitioned to freighter service.

Long Term Commercial Jet Fleet Outlook

The size of the global commercial jet fleet is expected to double over the next two decades, a rate of growth consistent with that observed in the prior two decades. Boeing's 2006 Current Market Outlook forecast indicates that the world fleet will reach 35,970 aircraft in 2025, of which 27,370 will be mainline passenger jets. Boeing defines mainline passenger jets as those of more than 90 seats. Airbus, in its 2006 Global Market Forecast, forecasts growth to 33,500 total aircraft by 2025, of which 27,307 will be mainline passenger jets. Airbus defines mainline passenger aircraft as those of more than 100 seats. While the two manufacturers have similar forecasts of global traffic growth, their views of the market for "very large aircraft" such as the Airbus A380 are substantially different. Airbus expects congestion at major airports and low per-seat operating costs to draw airlines to the largest possible aircraft. Boeing expects passengers, and therefore airlines, to favor point-to-point service in smaller, fuel-efficient aircraft, including the 787 and A350XWB.

Projected Commercial Aircraft Fleet Growth

	Airline Monitor 2006-2025	Airbus 2006-2025	Boeing 2006-2025
Projected Total Fleet	40,097	33,479	35,970
Additions-Growth	21,898	17,102	17,630
Additions-Replacement	6,402	5,561	9,580
Total Additions	28,300	22,663	27,210
Additions per Year	1,415	1,133	1,361
20 Year Fleet CAGR	4.0%	3.4%	3.7%

Source: Airbus Global Market Forecast, 2006; Boeing Market Outlook, 2006; the Airline Monitor, January, February 2007

Although North American and European traffic growth rates are expected to slow relative to the past, the sheer size of the current fleets will result in large requirements for additional aircraft. Large intra-regional travel demand will mean the core fleet growth in these regions will be in narrowbody aircraft types. Asia-Pacific will require substantial numbers of additional widebody aircraft to meet growing long-haul travel demand and this market is expected to generate the largest share of deliveries by value over the next 20 years.

World Engine Market Outlook

The expected air travel and air freight demand growth in emerging markets, particularly China and India, the continued development of LCCs, and ongoing fleet renewal at legacy carriers are driving increased demand for commercial aircraft, and consequently for aircraft engines. Rolls-Royce, a leading engine manufacturer, forecasts commercial jet engine deliveries totaling 61,209 worth $508 billion, including spares, through 2025. Based on Rolls-Royce's forecast delivery rate, the number of jet engines in service will more than double from approximately 44,705 in 2006 to 90,614 in 2025.

Aircraft Leasing Industry

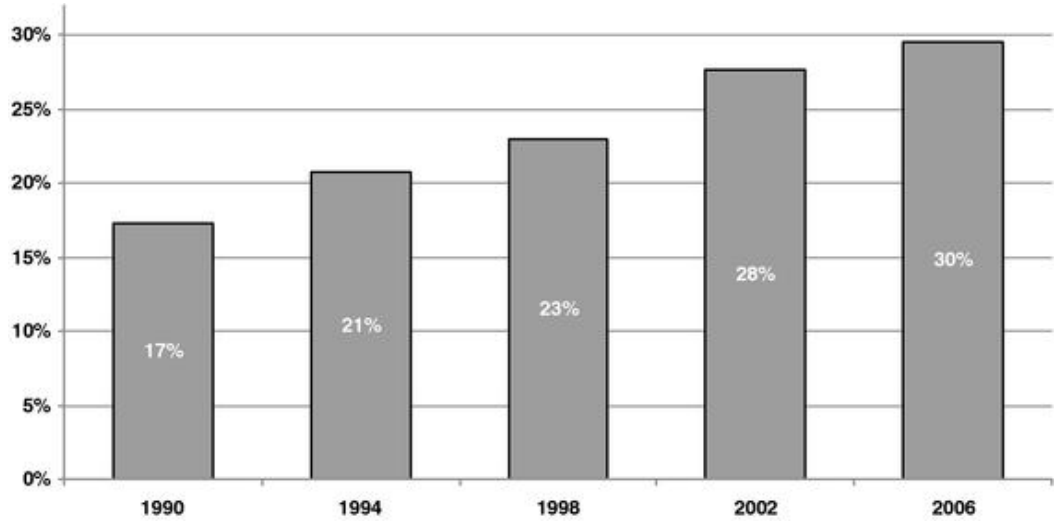
Overview of Aircraft Leasing

Aircraft leasing has evolved over the last 40 years to become a highly sophisticated market. In effect, leasing has become a source of capital that carriers use along with debt and equity to finance their equipment acquisitions. Regardless of whether the purchased aircraft are new or used, very few airlines have the internal cash available to self-finance aircraft acquisitions. Thus, most airlines seek financing from several sources, including traditional bank debt, export credit guarantees, tax leases, capital market transactions and operating leasing.

Over the past 20 years, the world's airlines have turned to operating leases for an increasing share of aircraft financing requirements. Airlines are attracted to operating leasing for a variety of reasons, including low capital outlay requirements, fleet planning flexibility and residual value risk avoidance. Furthermore, operating leasing is often the preferred choice for start-up carriers because it lowers the capital requirements for entering the market. Many banks significantly reduced their airline exposure between 2002 and 2004, and it became more difficult for airlines to obtain financing through the capital markets. Operating lessors effectively acted as the lenders of last resort to the industry during that period, maintaining vital liquidity in an otherwise challenging market environment.

As shown below, Ascend data indicates that the proportion of the global fleet under operating lease has increased from 17% in 1990 to 30% in 2006. SH&E believes that operating leases will continue to become more popular and that 40% of the global fleet will be subject to operating leases over the course of the next 10 years. Of the current backlog of 5,683 aircraft, 733 were ordered by 11 leasing companies directly and a significant number more are likely to be under lease ultimately as a result of sale/leaseback transactions.

Evolution of Fleet under Operating Lease, 1990-2006



Source: Ascend as of September 2006

Operating Lease Industry—Competitive Landscape

By recent estimates, the aircraft leasing industry represents assets worth over $120 billion. Among the 20 major players, the top two together account for over half the global portfolio. General Electric Capital Aviation Services ("GECAS") owns and manages approximately 1,715 aircraft and ILFC owns and manages 929 aircraft. Other key operating lessors, ranging from AerCap to Macquarie are significantly smaller but form the core of a competitive leasing industry, as described below.

Top Mainline Jet Operating Lessors

Operating Lessor	Narrowbody	Widebody	Total
GECAS	1529	186	1715
ILFC	659	270	929
Boeing Capital	240	27	267
AerCap	224	20	244
Aviation Capital Group	207	6	213
CIT Aerospace	185	23	208
Babcock & Brown	184	20	204
RBS Aviation Capital	193	3	196
Pegasus Aviation	145	37	182
AWAS	105	37	142
Macquarie	131	6	137
ORIX Aviation	84	10	94
BCI	76	11	87
Singapore Aircraft Leasing	56	14	70
Pembroke	62	4	66
Aircastle Advisor	51	15	66
Sumisho	38	6	44
Allco	25	18	43
Tombo Aviation	26	6	32
Guggenheim Aviation Partners	21	10	31
Total	**4,241**	**729**	**4,970**

Source: Ascend AIR, March 2007

Following the recovery in the aircraft leasing market that started in 2004, there has been significant activity and interest in lessor acquisitions by strategic and financial buyers. In June 2005, Cerberus purchased AerCap, which has since acquired part-out specialist AeroTurbine and continues to grow its portfolio through new orders and lease acquisitions. Earlier in 2005, Aviation Capital Group increased its size and global reach with the acquisition of Boullioun Aviation Services. In May 2006, Terra Firma acquired AWAS. Another major player, RBS Aviation Capital, has grown organically through sale-leaseback transactions and recently committed to new aircraft orders from Airbus and Boeing. In December 2006, Bank of China acquired full ownership of Singapore Aircraft Leasing Enterprise ("SALE") for $965.0 million from Singapore Airlines, WestLB and two Singapore government investment arms. In late 2006, GATX sold its remaining aircraft leasing interests to Macquarie Aircraft Leasing. Aircastle dramatically increased the size of its fleet during 2006 and 2007, in part through the purchase of 38 passenger and freighter aircraft from Guggenheim Aviation which was announced in January 2007.

As of March 2007, ILFC and GECAS together accounted for 359 aircraft on order, but other key lessors such as AerCap, CIT Aerospace, RBS Aviation Capital and SALE placed significant orders in 2005 and 2006.

Top Aircraft Operating Lessor Order Backlogs

Operating Lessor	Narrowbody	Widebody	Total
ILFC	132	76	208
GECAS	132	19	151
AerCap	76	20	96
CIT Aerospace	52	25	77
Singapore Aircraft Leasing	66	—	66
RBS Aviation Capital	41	—	41
Alafco	6	24	30
Pegasus Aviation	4	14	18
Guggenheim Aviation Partners	—	17	17
Aviation Capital Group	15	—	15
LCAL	—	14	14
Total	**524**	**209**	**733**

Source: Ascend AIR, March 2007

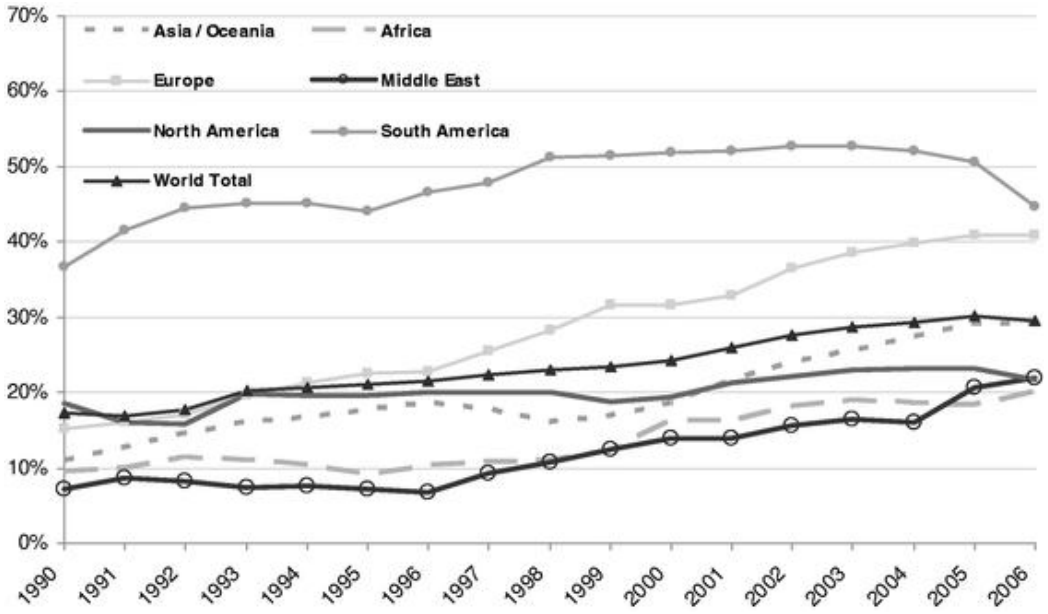
Regional Penetration of Operating Leasing

Today, the leading operating lessors have a truly global reach. Although 60.0% of the fleet under operating leases is placed with North American and European operators, South America has the highest percentage of aircraft under lease, followed by Asia, Europe and the Pacific Rim.

Europe has experienced the biggest increase in operating lease penetration, due in large part to the boom of the LCC carriers entering service. Compared to 1990, Europe's penetration has gone up by 25 percentage points through 2006 and is expected to continue to increase as markets in Eastern Europe, Russia and the Commonwealth of Independent States grow and increase opportunities for LCCs and other start-up carriers.

While North America has not witnessed a rapid increase in the proportion of operating leases over the last two decades, this trend is expected to change. Major carriers are no longer able to rely on the leverage leasing market and capital market financing has become comparatively difficult to secure. It is expected that both U.S. major carriers and LCCs will likely increase reliance on operating leasing as a key source of financing in coming years. Given that the United States will represent the largest narrowbody market globally, the major operating lessors are well placed to help finance these requirements.

Historical Operating Lease Penetration by Region



Source: Ascend

Operating leasing in the Asia-Pacific region will also continue its upward trajectory as the market fragments and new carriers continue to evolve. The major Asian airlines have access to very cheap bank financing and will be unlikely to be major users of operating leasing, but the growing set of LCC and short-haul airlines in this region operating primarily narrowbody aircraft will continue to generate opportunities for leasing companies. Lessors are already very active in both China and India, where domestic fleet requirements, both leased and owned, will continue to grow.

In recent years, operating lease penetration has increased in the Middle East due to rapid fleet growth and bridge lift requirements by several carriers. Aside from the LCC sector, however, major carriers in the region have relatively easy access to capital and are not expected to be heavy users of the operating lease market in the future. Latin America has long had the highest proportion of operating leasing and this is primarily a result of carriers in the region having no other access to capital.

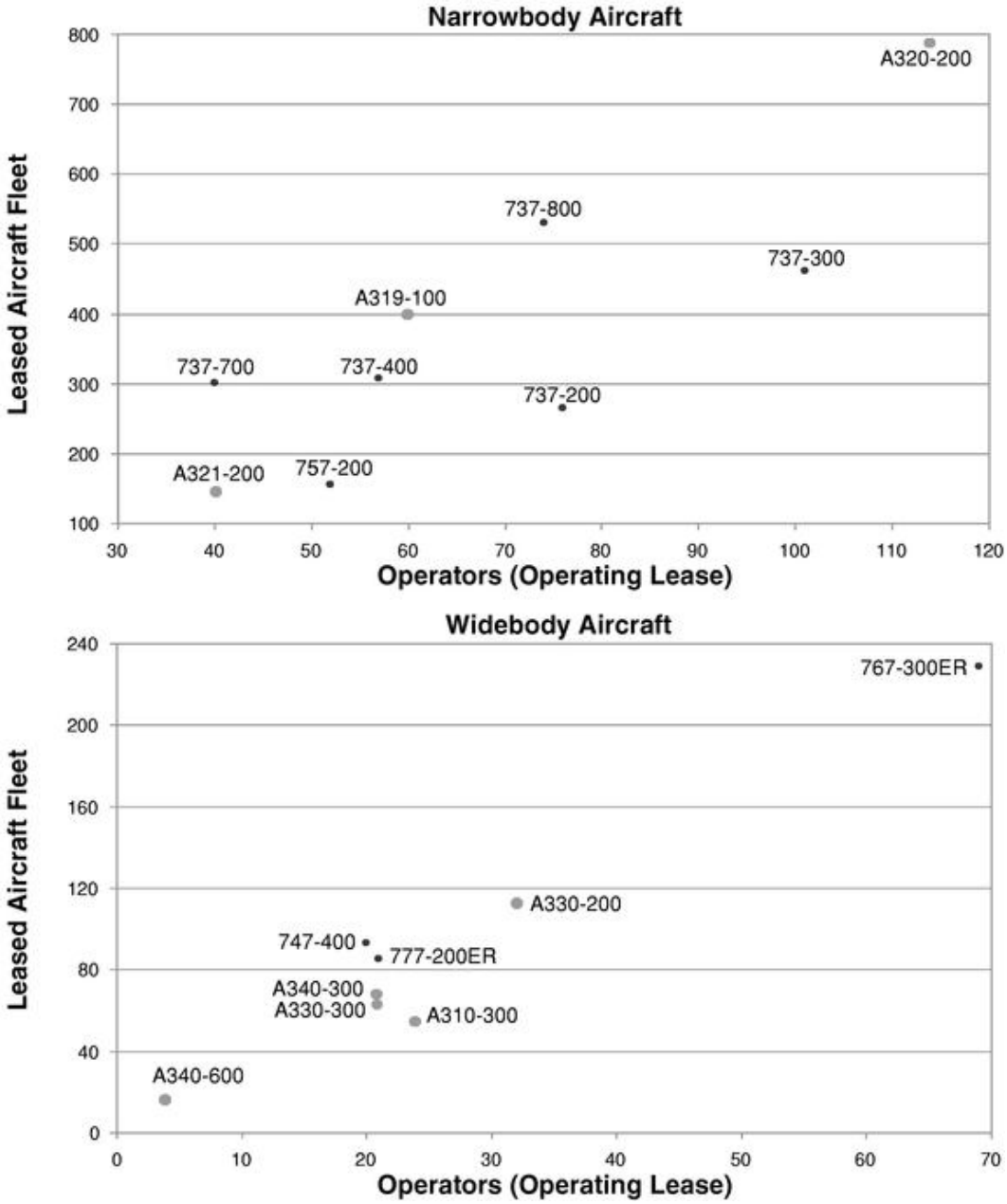
Asset Selection & Asset Management

The ability for aircraft leasing companies to earn stable returns is dependent on asset liquidity and asset management capability. A lessor generally earns profits when the present value of the lease revenues and future aircraft sale value exceeds the original purchase price of the aircraft and the expenses involved between leases. The entry price is dependent on prevailing market conditions and the relative bargaining power between buyer and seller. Maximizing residual value and rental revenue, however, requires appropriate asset selection in line with the lessor's strategic objectives, an understanding of the current market for specific aircraft types, anticipation of trends that may impact aircraft value over a given investment horizon and the ability to execute asset monetization and disposition strategies. Such strategies vary, according to the age and the relative desirability of the asset but include re-leasing, selling (with or without a lease attached) or dismantling to obtain the constituent components.

Leasing is a cash flow business and key objectives include management of lease revenue stream, smoothly transitioning aircraft between lessees in order to minimize off-lease time, minimizing refurbishment or reconfiguration costs by keeping assets relatively standardized and minimizing risk by

predicting impact of maintenance exposures and expected lease return conditions. Lessors can mitigate exposures to aircraft market risk and asset specific risk by working to select appropriate assets for purchase. In addition to expectations relating to the future value and lease rate behavior of a specific aircraft type, when selecting assets to purchase, lessors often focus on those aircraft with the highest market liquidity, such as the A320, 737-800, 767-300ER and A330-200. For each aircraft/engine model, the prospective buyer must understand the breadth (number of operators) and depth (number of aircraft) in the market, the share of the fleet in storage, current aircraft availability and trading activity of used aircraft. In addition, important considerations for the residual value of aircraft relate to levels of product support, whether the aircraft remains in production or has replacement technology on the horizon, potential for freighter conversion or other secondary uses, and relative operating economics.

Operating Lease Depth and Breadth by Model



Source: ACAS, December 2006

Aircraft Lease Rates and Lease Rate Trends

Aircraft operating lease rates generally represent market-clearing prices that reflect current supply and demand. Lease rates depend upon the type of lease, interest rates, tax liabilities, lease term, value of the aircraft at lease inception, the forecasted residual value of the aircraft at lease termination and the credit quality of the lessee. During the air transport demand downturn of 2002 and 2003, lessors showed considerable pricing flexibility and often entered into short-term leases at reduced rates in order to keep assets deployed. Now that global passenger traffic has recovered, lease rates have firmed substantially, and lessors are able to realize lease rates above pre-2001 levels on certain aircraft types.

Although lease rates are closely correlated to global economic conditions, rates for a particular aircraft generally hold steady in nominal terms for a long period, then fall quickly once the aircraft type faces large scale replacement. Once replacement technology for the aircraft in question is established in the market, the aircraft's lease rates typically decline quickly and permanently.

As a summary measure, aircraft lessors and traders typically measure the effect of interest rates and residual value risk by looking at the ratio of lease rates to purchase prices, known as a "lease rate factor." Lease rate factors tend to rise as aircraft age, and they also vary with lease term length. Lease rate factors for newer aircraft are lower than those for older aircraft, due to the increased risk associated with older aircraft. Older aircraft tend to be operated by less credit-worthy airlines and residual value performance is a much more important component of overall return. Moreover, lease rental volatility tends to be greater for older aircraft and they exhibit a wider percentage change in lease rates from cycle peak to cycle trough.

For many aircraft types, excess demand has led to an increase in lease rental rates and, in certain cases, aircraft values. Historically, growing demand for a particular aircraft and resulting higher lease rates has correlated strongly with increased market value. Trading values normally lag lease rate movement, and it is expected that some aircraft will see a limited increase in trading values over the short to medium term.

Whereas rentals for many used aircraft models fully recovered following the recent air transport demand downturn, lease rates of certain older aircraft appear to have suffered a permanent reduction that suggests accelerated obsolescence. The attraction of the superior operating economics of the latest generation of narrowbody transports is compelling, especially in light of current high fuel costs. For a number of Generation 3 aircraft types, particularly the A320 and 737, which are highly favored by LCCs, supply is very limited. Lease rates for newer narrowbody aircraft are consequently expected to continue to rise over the next few years. Generation 2 narrowbodies, such as 737 classics and 757-200 have increased in the last year and are likely to remain firm, but are expected to experience greater volatility over the next cycle.

Demand for mid-size widebody aircraft types, such as the 767-300ER and A330-200, is exceptionally strong and cannot be met by current aircraft availability. These aircraft may generate very high returns in coming years, but face greater risk of low lease rates and residual value performance during the next market trough. SH&E believes that, barring some unforeseen geopolitical event, lease rates for most of the in-service aircraft will continue to increase over the next few years or, at the very least, remain stable.

Engine Leasing Industry

For the same reasons that aircraft leasing is becoming increasingly prevalent, the spare engine leasing market is also growing rapidly. Operators require spare engines to ensure that their aircraft are not grounded due to planned or unplanned engine maintenance requirements. In addition, as engines become more expensive, operators are increasingly entering into operating leases rather than owning their spare engines.

Spare Engine Demand

While total installed engine demand is a function of the number of aircraft in the fleet, spare engine demand is dependent upon an array of factors. Many of these factors are unique to specific engine type, fleet age, operator base and engine shop visit rates. The largest driver of spare engine demand is the number of annual engine hours operated, which in turn is a function of the fleet size and utilization patterns for a specific aircraft/engine type. The general consensus in the engine leasing industry, however, is that the spare engine population is 10 to 15% of the installed engine fleet; or between 4,200 and 6,200 engines.

As engines reach maturity, their off-wing maintenance requirements increase and a higher ratio of spare engines is required to support the installed fleet. As a result, spare engine demand for a given fleet of engines will continue to increase once the platform fleet type has ceased production. Spare engine leasing therefore tends to be most active from the time production ends until the relevant platform aircraft type is retired in large numbers.

An additional driver of the engine demand occurs when large fleets of a given aircraft type are moved from major airlines to a larger number of smaller airlines throughout the world. This creates a demand for more spare engines to support the smaller and more geographically dispersed fleets though smaller carriers are beginning to find ways to mitigate such inefficiencies through spare engine pooling and other logistics support programs.

Engine Operating Leases

Today's aircraft operators have a large number of products to choose from to provision their spare engines, ranging from outright ownership, short and long-term operating leases, support through total care contracts and a variety of other solutions. As with aircraft, engine operating leases are appropriate for those operators that have difficulty raising funds for equipment purchases, have better uses for their capital or do not want to have additional debt on their balance sheets. Engine operating leases can be as short as two months or as long as 15 to 20 years, depending on operator requirements. Short-term leases are typically three to six months in duration and are used as stopgap measures to cover individual engines while they undergo shop visits, while long-term operating leases are used by airlines with fleets of a sufficient size to warrant full-time spare "engine coverage". The operating lease arrangement allows maximum spare engine utilization and permits the lessee to use off balance sheet financing. Engine leasing companies can typically extract higher lease rates for short-term leases, since there is typically a more immediate operator need. Furthermore, such leases almost always require maintenance reserve payments, so in many cases the lessor can achieve better protection for assets in short-term lease pools.

Competitive Environment

Engine lessors can loosely be categorized as those affiliated with the Original Equipment Manufacturers ("OEMs"), independent engine lessors, MRO providers and financiers/investors. A significant number of smaller lessors also participate in the market, but primarily for older engines that require less capital and are likely to be disassembled and sold for their component parts at the end of the lease term.

While the three primary engine manufactures have long had engine leasing divisions to support their products, their assets were typically leased for short terms, and the primary role of such leasing divisions was not to finance engines for customers. Over the last 15 years, however, OEM leasing divisions have grown significantly and are increasingly becoming independent profit centers that provide short and long-term spare engine provisioning options to customers.

While engine leasing requires significant technical knowledge and asset management ability, in several ways it entails lower business risks than aircraft leasing. For example, the demand for spare engines is less sensitive to airline profitability and engine lessors typically face lower remarketing risk. As with aircraft, engine lessors are expected to seek to participate in the most liquid markets; engine types with high usage rates and wide operator bases. Other factors important to asset selection are the long-term utility of host aircraft and availability of third-party MRO facilities. The liquidity and continuous maintenance needs of the fleet of CFM56-3 and -5 engines that power 737 Classics and A320s respectively, make these some of the most attractive leasing assets.

Engine Values and Lease Rate Trends

With appropriate maintenance and care, an aircraft engine has considerably longer life than that of an aircraft airframe. Engines can be restored to nearly new condition through maintenance while airframes cannot.

Aircraft engines may be categorized by the maximum amount of thrust they produce, and all else being equal, the value of engines are strongly related to this maximum. This manifests itself in a strong and direct relationship between new engine list prices and takeoff thrust. Used engine values however, are dependent upon a large number of factors which must be considered for each engine. Maintenance costs, fuel burn, ease of remarketing, and expected useful life, among other factors, are considered in determining the value of an engine model. The value of a specific engine is dependent on even more factors, including the condition of the parts in the engine, the time the engine can be expected to operate before needing scheduled maintenance, and open mandatory compliance maintenance tasks.

The general value trends for engines can be characterized by breaking up the asset life cycle into three phases. The first phase of production is characterized by continued strong new engine demand with used engine values increasing slightly faster than the rate of inflation in accordance with engine manufacturer escalation rates for new engines. When strong demand for the platform aircraft falls off, the asset enters the second phase and the installed engine fleet enters a relatively long period characterized by stable supply and demand, and the slight depreciation of the engine value is offset by inflation. As demand for the aircraft that the engine supports falls due to obsolescence, engines begin to lose value quickly and in many cases are more economical to disassemble into parts than undergo maintenance. An engine's value is comprised of two liquid components, the shop visit and Life Limited Parts ("LLPs"), and the remainder of the engine, or core.

The engine disks that rotate at high speeds are subject to high mechanical stresses and to ensure their safety, manufacturers limit the number of cycles these critical parts can be utilized. Upon reaching the limit, these LLPs must be removed from the engine. The large physical size of the parts, elaborate manufacturing processes, and exotic metals result in the parts being very expensive. With LLP set prices ranging from $1.5m to more than $7m for modern aircraft engines, the status of the LLPs in the engine contributes significantly to engine value.

High temperatures in the turbine cause airfoil wear which decreases engine efficiency, requiring them to be replaced at engine shop visits. Although perhaps not individually expensive, modern aircraft engines typically have 1,000 to 2,000 airfoils that are expensive in aggregate to replace, and so the time since the last performance restoration exerts a strong influence on engine value.

The core engine value accounts for the remainder of the engine value, including the non life-limited parts and engine data plate, and is most strongly linked to engine demand for the engine type. As the engine moves from Phase I to III, the value provided by the liquid components increases as a percent of the total engine value. Engine leasing companies can typically extract higher lease rates for short-term leases since there is typically a more immediate operator need, a requirement to amortize transaction costs over a shorter term and a greater risk of technical issues arising at lease

return. Lease rate factors are generally higher for older engines given the relatively higher re-marketing risk and asset management requirements.

Spare Parts Trading Market

Demand for used aircraft parts is tied directly to utilization of the aircraft that the spare parts support. Higher aircraft utilization leads to greater wear on components, which results in more frequent part replacements, repairs and overhauls. The parts aftermarket is comprised of a few large companies, including GE Aviation Material Services, AAR Corp, Volvo Aero and AirLiance, several well established mid-size companies such as AeroTurbine, Kellstrom and the Memphis Group as well as many small niche participants. All of these companies tend to buy surplus equipment from OEM's or airlines and resell it to airlines, MRO facilities or to other parts companies. Numerous companies purchase complete aircraft and engines to dismantle them for parts (a process known as "part out").

Most parts companies hold their inventories in the condition or state in which the parts were acquired; new if purchased as surplus from an OEM or in an "as-removed" condition if removed from an aircraft. The as-removed condition is by far the most prevalent for parts found in most 3rd-party inventories and these parts must be fully checked by a licensed and qualified repair facility before they can be installed on another aircraft. Parts companies will typically send a limited number of removed parts out to a vendor for testing or overhaul and subsequently hold them in stock in "serviceable" (serviceable parts are in condition satisfactory for installation or use in an aircraft, engine or another spare part or appliance) or "overhauled" (overhauled parts have been repaired and tested to defined overhaul standards specified by the manufacturer) condition ready for immediate sale. Parts traders can generally achieve the highest margins for serviceable material in situations in which an airline has an aircraft grounded due to a lack of internal spare part availability and will a pay high price order to get the aircraft back into revenue service. Parts companies must balance such margin potential with the cost of repairing and holding inventory.

During the recent cyclical downturn, many parts companies experienced distress following airline reductions of capacity through retirement, temporary storage, and reduced aircraft utilization. Parts suppliers found themselves holding large parts inventories for which there was suddenly limited demand and increasing supply. The resurgence in capacity and aircraft utilization in the last several years has increased demand for spare parts for those aircraft types that have experienced increased utilization. Demand for parts of certain older aircraft types that have not been returned to active service continues to wane. In addition, the continuing rebalancing of the world fleet from older aircraft toward less maintenance-intensive newer-generation aircraft has placed strain on some spare parts aftermarket suppliers.

Some aftermarket parts companies have additional business lines in addition to trading aircraft and engine spare parts and many MRO companies also participate in the secondary parts market.

For all aftermarket parts companies, there are only two principal sources of product other than buying from other parts companies. Material can either be obtained from airlines and manufacturers selling surplus inventory or from dismantled aircraft and engines. These dismantled aircraft or engines, otherwise known as "part-outs," are invariably of two categories: (1) either they are approaching the end of their useful economic lives, and it has become economically viable to part them out and sell piecemeal rather than remarketing as a whole unit or (2) they have been assessed as a total constructive loss following a major accident.

For most commercial aircraft, airframes become potential part-out candidates after they have been in service for about 16 years. Thus, for aircraft and engine types that have been in service for less than that length of time, there is a limited supply of material other than from the OEMs, while most aircraft will continue to operate beyond 25 years before they are permanently retired from service However, once an aircraft or an engine type has been in service for more than about seven years, there is an

increasing demand for spare parts as airframe and engine maintenance requirements increase dramatically. Thus for a period of approximately ten years, there is burgeoning demand for product, and a limited supply from the aftermarket. Several companies supporting the spare parts aftermarket have positioned themselves to take advantage of such demand by acquiring inventories of parts for modern aircraft fleets currently in production, such as Airbus A320, Boeing 737NG aircraft, Boeing 777 aircraft and their corresponding engine types. Demand for these parts is expected to remain strong due to the limited supply aftermarket supply.

Industry Trends

The outsourcing of heavy airframe checks is fairly well established but the outsourcing of component maintenance and parts inventory management is accelerating. Many LCCs are continuing to lead the trend towards further outsourcing and are signing up for inventory management and component maintenance packages.

Airlines benefit from such spare part leasing agreements because management of the entire supply chain is outsourced. Leasing spares is an attractive alternative because the vendor is responsible for inventory replenishment and component repair. The cost of these services is included in a monthly lease fee or "power-by-the-hour" agreement permitting airlines to focus on their core business of transporting passengers and freight. Such industry trends suggest that airlines continue to seek total solutions to streamline inventory logistics, supply chain management and maintenance services.

Continued outsourcing, parts pooling and other supply chain improvements are continuing to decrease the inventory levels held by operators. According to AeroStrategy, a United Kingdom- based consultancy, in 2004 operators held only 60% of MRO inventory compared to nearly 80% in 1997.

Another developing trend in the parts business, and one that will primarily impact OEM parts pricing, is the growing acceptance of Parts Manufacturing Approval (PMA) parts. However, the role of PMAs will grow as these parts gain further acceptance as airlines and MROs strive to keep a lid on rising costs. While switching to vastly cheaper PMA parts would improve airline operating costs, airlines fear stigma and bad press associated with use of PMA parts and, in addition, many investors are concerned that residual value is affected by the use of PMA parts.

In sum, the aftermarket parts trading business is expected to continue to evolve towards further consolidation as companies search for synergies and complements to other business lines. Trends of supply chain integration and logistics support in the maintenance industry and increasing penetration of operating leasing support such trends.

Asset Management & Values

Asset Management

To the extent that the commercial aircraft fleet continues to grow, the aircraft and spare engine leasing markets will continue to increase in size and importance. Effective asset management is essential to an aircraft investor's ability to protect the integrity and value of owned assets. Asset management involves an array of functions and capabilities ranging from financial monitoring to legal capability for effective contracts and evaluation of jurisdictional risks, to detailed technical monitoring and planning.

Technical managers must conduct physical inspections, monitor maintenance funds and aircraft status and Airworthiness Directive compliance, monitor operator use and understand potential technical modifications that may be needed to transition aircraft between lessees. This is essential to knowing the condition and potential value of the owned aircraft to other operators. Aircraft and engine documentation is extremely important and all LLPs must be fully traceable back to original manufacture. A capable asset manger and trader of used aircraft will make sure technical issues are

minimized and can often avoid having to resort to the temporary storage of an aircraft. The asset owner must also have the wherewithal to effectively manage lessee default situations, negotiate and repossess aircraft if necessary. This task requires significant legal and technical coordination. To reiterate, one major reason aircraft leasing will continue to grow as a source of aircraft finance is that many lessors are expert asset managers and represent the most efficient and flexible means of building asset liquidity.

Aircraft Value Trends

The typical new aircraft will depreciate over time as it ages and experiences the wear and tear of operation. Eventually, the aircraft will reach the end of its useful life (usually about 25 years unless extended by cargo conversion) and will retain a marginal value that represents the market worth of its various components and material. The differing value behavior of engines is apparent, however, when examining historical engine trading prices. Engines tend to hold their value since they can be restored to nearly new condition through overhaul, and will represent an increasing share of an aircraft's value over time. A lessor aiming to compete in the mid to late-life aircraft segment will therefore need to have a solid engine management capability.

Used Aircraft Values

The health of the airline industry during the late 1990s supported a general strengthening of the prevailing prices for used aircraft. Many banks and financial institutions were attracted to the aircraft financing sector and began to compete aggressively for available transactions. As a result, prices for used aircraft remained relatively strong. During the period from 2001 to 2004, following a sharp drop in airline demand for aircraft capacity, many surplus aircraft were parked, deliveries were deferred and some aircraft financiers with little asset management capability or asset diversification suffered substantial losses. Many banks and tax equity participants exited the market altogether and capital market transactions came to a halt. The concurrent slide in aircraft values, particularly for older and mid-life aircraft types, exacerbated the situation and trading activity of used aircraft slowed.

Aircraft that have suffered a deep and lasting reduction in both trading price and inherent value are older, less fuel-efficient early generation aircraft and types that no longer meet the current noise and emission standards in place in most of the developed world. Examples of these include aging models with disappearing operator bases such as the Lockheed L-1011 (84% of total fleet is retired or parked) and the McDonnell Douglas DC-10 (71% of total fleet is retired or parked) and DC-9 (66% of total fleet is retired or parked). Given the high fuel and maintenance expense generated by these aircraft types, it is increasingly likely that many of those that remain will exit service once in need of heavy maintenance.

Though still relatively young and considered middle generation, values for the fuel inefficient McDonnell Douglas MD-80 (944 in active service) variants also appear to be facing a permanent decline.

Following the rapid decline in values for most aircraft types during the period from 2002 to 2004, used trading prices for most aircraft types stabilized in 2005, and gained upward momentum in 2006. Values for popular new and used A320s and 737NGs continue to increase and will likely continue to exhibit marginal firming over the next several years. Meanwhile, values for aircraft such as the 737 Classics, 757 and 767-300ER have increased slightly following large declines in 2002 and should remain healthy before eventually depreciating further once the current supply shortage abates.

AerCap

We are an integrated global aviation company with a leading market position in aircraft and engine leasing, trading and parts sales. We possess extensive aviation expertise that permits us to extract value from every stage of an aircraft's lifecycle across a broad range of aircraft and engine types. We also provide aircraft management services and perform aircraft and engine MRO services and aircraft disassemblies through our certified repair stations. We believe that by applying our expertise through an integrated business model, we will be able to identify and execute on a broad range of market opportunities that we expect will generate attractive returns for our shareholders.

We operate our business on a global basis, providing aircraft, engines and parts to customers in every major geographical region. As of March 31, 2007, we owned 140 aircraft and 65 engines, managed 98 aircraft, had 95 new aircraft and three new engines on order, had entered into purchase contracts for two new aircraft and had executed letters of intent to purchase an additional six aircraft. In addition, on May 11, 2007, we signed an agreement with Airbus for the purchase of an additional ten A330-200 aircraft, bringing our total firm order of A330-200 aircraft to 30 and the total number of new aircraft on order to 105. As of March 2007, we had the fourth largest aircraft leasing portfolio in the world and the third largest new aircraft order book among operating lessors, according to SH&E, in each case by number of aircraft.

We lease most of our aircraft to airlines under operating leases. Under an operating lease, the lessee is responsible for the maintenance and servicing of the equipment during the lease term and the lessor receives the benefit, and assumes the risk, of the residual value of the equipment at the end of the lease. As of March 31, 2007, our owned and managed aircraft and engines were leased to 105 commercial airline and cargo operator customers in 46 countries and are managed from our offices in The Netherlands, Ireland and the United States. We expect to expand our leasing activity in Asia and in China in particular through our AerDragon joint venture with China Aviation Supplies Import & Export Group Corporation, which commenced operations in October 2006.

We have the infrastructure, expertise and resources to execute a large number of diverse aircraft and engine transactions in a variety of market conditions. Our teams of dedicated marketing and asset trading professionals have been successful in leasing and trading our aircraft and engine portfolios. From January 1, 2003 to March 31, 2007, we have executed over 1,100 aircraft and engine transactions, including 283 aircraft leases, 275 engine leases, 158 aircraft purchase or sale transactions, 204 engine purchase or sale transactions and the disassembly of 54 aircraft and 139 engines. Between January 1, 2003 and March 31, 2007, our weighted average owned aircraft utilization rate was 98.6%.

In 2006, we generated total revenues of $814.4 million and net income of $108.9 million, which included charges for share-based compensation of $68.3 million, net of taxes, resulting in basic and fully-diluted earnings per share of $1.38. In the three months ended March 31, 2007, we generated total revenues of $309.5 million and net income of $60.6 million, resulting in basic and fully-diluted earnings per share of $0.71.

Our Competitive Strengths

We believe the following competitive strengths will allow us to capitalize on growth opportunities in the global commercial aviation market:

Ability to Manage Aircraft and Engines Profitably Throughout Their Lifecycle. We have an integrated business model that allows us to operate across the lifecycle of an aircraft or engine, from its initial

purchase from a manufacturer through its leasing, sale or eventual disassembly for the sale of its parts. Our integrated business model includes:

- purchasing new aircraft and engines in large quantity orders directly from manufacturers at discounted prices and leasing those aircraft at market prices;
- purchasing entire portfolios of aircraft and engines of varying ages and types to capitalize on our ability to extract value from all stages of the aircraft lifecycle;
- using our global remarketing capability and relationships with our diverse customer base;
- selling our aircraft and engines through our aircraft and engine trading business; and
- disassembling aircraft and engines at the end of their economic operating lives and selling their component parts.

Attractive, Modern and Fuel-Efficient Aircraft and Engines. We have assembled an aircraft portfolio focused on Airbus A320 family aircraft, which are among the most fuel-efficient and widely-used narrowbody passenger aircraft. As of March 31, 2007, the weighted average age, by book value, of aircraft in our owned fleet was 7.7 years. Our focus on young, modern, technologically-advanced and fuel-efficient aircraft provides us with an attractive asset portfolio that we believe we can leverage in the growing global airline market. We also own a large portfolio of CFM56 family engines, which are the most widely-used commercial jet engines.

Global Remarketing Capability and Diversified Customer Base. We maintain a high utilization rate for our assets by maintaining strong relationships with our existing and potential customers worldwide. As of March 31, 2007, we had 105 commercial airline and cargo operator customers in 46 countries, and no customer accounted for more than 10% of our revenues in each of 2006 and the three months ended March 31, 2007. The diversification of our customer base across varied geographic regions and markets reduces our exposure to risks associated with customer concentration and fluctuations in regional economic conditions. In addition, our global operations, knowledge of local regulatory frameworks and relationships with key market participants allow us to obtain and place our aircraft, engine and parts efficiently in all major global commercial aviation markets.

Active Aircraft and Engine Trading Business. We have an asset trading team of 19 professionals who are dedicated to identifying, analyzing and executing aircraft and engine acquisition and sale transactions. In addition, our dedicated airline marketing teams provide our asset trading team with market insight and purchase and sale opportunities arising from frequent dialogue with the global airline industry. Between January 1, 2003 and March 31, 2007 we purchased 77 aircraft, sold 81 aircraft, purchased 131 engines and sold 73 engines.

Substantial Size and Breadth of Operations. Our substantial size and breadth of operations allow us to:

- diversify our customer and geographical risk exposure;
- purchase large and diverse portfolios of aircraft and engines;
- obtain favorable financing terms;
- maintain strong relationships with airframe and engine manufacturers and MRO service providers;
- facilitate airline "refleetings" by purchasing aircraft which no longer meet an airline's requirements and replacing them with aircraft from our portfolio that better suit an airline's needs; and

- offer our aircraft and engine customers a broad range of flexible aircraft and engine leasing options.

Efficient Access to Capital. We have $1.2 billion of revolving credit facilities that provide us with access to committed funding for the acquisition of a diverse range of new and used aircraft, engines and parts of any age. Since 1996, we have raised over $19.0 billion of funds in the global financial markets, including over $9 billion through initial issuances and refinancings in the aircraft securitization market. Securitizations allow companies to raise long-term, low-cost and non-recourse capital by pledging cash flows generated by an asset pool, such as aircraft leases. Most recently, in May 2007, we completed a $1.66 billion securitization of 70 aircraft subject to operating leases. Our substantial indebtedness could limit our ability to access funding for our growth. We seek to use structures such as securitizations and joint ventures to allow us to access capital efficiently and limit recourse by lenders to our assets.

Attractive Aircraft Management Business. As of March 31, 2007, we managed 98 aircraft primarily for securitization vehicles, our unconsolidated joint ventures and third parties. As a pioneer in the securitization market, we were the first sponsor of an aircraft securitization and we are a leading manager of aircraft securitization vehicles. We use our existing aircraft management infrastructure to provide aircraft management services at limited incremental cost to us. The management of aircraft for third parties also provides us with a more diverse portfolio of aircraft to market to our airline customers.

Experienced Management Team. Our management team, with an average of 17 years' experience in the aviation industry, has extensive expertise in aircraft and engine leasing, trading, MRO, technical management, financing and risk management across a broad range of aircraft and industry economic cycles.

Despite these competitive strengths, we face significant risks that could adversely affect our financial results and growth prospects, including risks related to our ability to profitably re-lease our aircraft, interest rates, supply and demand cycles in the aviation industry, the financial strength of our lessees, emerging market conditions, our integration of AeroTurbine, a decline in the value of our assets and competition. See "Risk Factors".

Our Business Strategy

We intend to pursue the following business strategies:

Leverage Our Ability to Manage Aircraft and Engines Profitably throughout their Lifecycle. We intend to continue to leverage our integrated business model by selectively:

- purchasing aircraft and engines directly from manufacturers;
- taking advantage of price incentives offered by sellers for the purchase of entire portfolios of aircraft and engines of varying ages and types;
- using our global customer relationships to obtain favorable lease terms and reduce time off-lease;
- selling select aircraft and engines;
- disassembling older airframes and engines for sale of their component parts; and
- providing management services to securitization vehicles, our joint ventures and other aircraft owners at limited incremental cost to us.

Our ability to profitably manage aircraft throughout their lifecycle depends in part on our ability to successfully lease aircraft and engines at profitable rates and our ability to source acquisition opportunities of new and used aircraft at favorable prices.

Expand Our Aircraft and Engine Portfolio. We intend to grow our portfolio of aircraft and engines through portfolio purchases, new aircraft purchases, airline refleetings, and other opportunistic aircraft and engine purchases. We will rely on our experienced team of aircraft and engine market professionals to identify and purchase assets we believe are being sold at attractive prices or that we believe will increase in demand and value. In addition, we will continue to rebalance our aircraft and engine portfolios through acquisitions, sales and selective disassemblies to maintain the appropriate mix of aviation assets to meet our customers' needs.

Focus on High Growth Markets. Although we maintain a geographically diverse portfolio, we focus on high growth airline markets such as the Asia-Pacific market. In May 2006, we entered into a joint venture with China Aviation Supplies Import & Export Group Corporation, a state-owned aviation service engaged in the import and export of civil aviation products and the leasing and maintenance of aircraft, engines and aviation parts. This joint venture enhances our presence in the increasingly important China market and will enhance our ability to lease our aircraft and engines throughout the entire Asia-Pacific region.

Enter into Joint Ventures to Obtain Economies of Scale. We intend to continue to leverage our leading market position, extensive knowledge of the aircraft and engine leasing markets and aircraft and engine management capabilities by entering into joint ventures that increase our purchasing power and our ability to obtain price discounts on large aircraft orders. For example, by structuring a large aircraft purchase from Airbus through a 50% owned consolidated joint venture, we were able to increase the number of aircraft we ordered from 35 to 70 and obtained significantly more favorable terms than would otherwise have been available to us. We expect to generate fees from our joint ventures by providing them with aircraft management services.

Obtain Maintenance Cost Savings. We intend to lower our aircraft and engine maintenance costs by using aircraft and engine parts we obtain from the selective disassembly of acquired and existing airframes and engines. We intend to achieve further maintenance cost savings by using our FAA and EASA certified repair station to perform a variety of value-added MRO services on our aircraft and engines that would otherwise be outsourced at significantly higher costs.

Acquire Complementary Businesses. We intend to selectively pursue acquisitions that we believe will enhance our ability to manage aircraft and engines profitably throughout their lifecycle. The synergies, economies of scale and operating efficiencies we expect to derive from our acquisitions will allow us to strengthen our competitive advantages and diversify our sources of revenue.

Aircraft

Overview

We operate our aircraft business on a global basis. As of March 31, 2007, we owned and managed 238 aircraft. We owned 136 aircraft in our aircraft business, managed 98 aircraft and had an additional four aircraft which we intend to disassemble for the sale of their parts or sell at the end of their leases. As of March 31, 2007, we leased these aircraft to 91 commercial airline and cargo operator customers in 45 countries. In addition, as of March 31, 2007, we had 75 new narrowbody aircraft and 20 new widebody aircraft on order, including 25 directly and 70 through our consolidated joint venture, AerVenture. We also entered into a purchase contract for two new aircraft and had executed letters of intent for the purchase of six additional aircraft. Including all owned and managed aircraft, aircraft under contract or letter of intent and aircraft in our order book, our portfolio totals 341 aircraft as of March 31, 2007.

Over the life of the aircraft, we seek to increase the returns on our investments by managing our aircraft's lease rates, time off-lease, financing costs and maintenance costs, and by carefully timing their sale or disassembly. We lease most of our aircraft to airlines under operating leases. Under an operating lease, the lessee is responsible for the maintenance and servicing of the equipment during the lease term and the lessor receives the benefit, and assumes the risk, of the residual value of the equipment at the end of the lease. Rather than purchase their aircraft, many airlines operate their aircraft under operating leases because operating leases reduce their capital requirements and costs and allow them to manage their fleet more efficiently. Over the past 20 years, the world's airlines have increasingly turned to operating leases to meet their aircraft needs. According to SH&E, approximately 30% of the global aircraft fleet was operated under operating leases in 2006 and SH&E forecasts that 40% of the global aircraft fleet will be operated under operating leases within the next ten years. For a more detailed discussion of trends in the aviation industry, see "Aircraft, Engine and Aviation Parts Industry—Aircraft Leasing Industry" above.

Our contract lease terms generally range from 12 months to 120 months. By varying our lease terms, we mitigate the effects of changes in cyclical market conditions at the time aircraft become eligible for re-lease. In periods of strong aircraft demand, we seek to enter into medium and long-term leases to lock-in the generally higher market lease rates during those periods, while, in periods of low aircraft demand we seek to enter into short-term leases to mitigate the effects of the generally lower market lease rates during those periods. In addition, we generally seek to reduce our leasing transition costs by entering into lease extensions rather than taking re delivery of the aircraft and leasing it to a new customer. The terms of our lease extensions reflect the market conditions at the time the lease extension is signed and typically contain different terms than the original lease.

Upon expiration of an operating lease, we extend the lease term, take redelivery of the aircraft, remarket and re-lease it to new lessees, sell the aircraft, or transfer the aircraft to our disassembly business for sale of its parts. Typically, we re-lease our leased aircraft well in advance of the expiration of the then current lease and deliver the aircraft to a new lessee in less than two months following redelivery by the prior lessee. During the period in which an aircraft is in between leases, we typically perform routine inspections and the maintenance necessary to place the aircraft in the required condition for delivery and, in some cases, make modifications requested by our next lessee.

Our extensive experience, global reach and operating capabilities allow us to rapidly complete numerous aircraft transactions, which enables us to increase the returns on our aircraft investments and reduce the time that our aircraft are not generating revenue for us. We successfully executed 491 aircraft transactions between January 1, 2003 and March 31, 2007 including 283 aircraft leases, 50 lease restructurings and 158 purchase and sale transactions.

The following tables set forth information regarding the aircraft transactions we have executed between January 1, 2003 and March 31, 2007, the number of initial leases and re-leases we entered into, the number of leases we extended, the number of leases we restructured, the number of aircraft we purchased and the number of aircraft we sold. The trends shown in the table reflect the execution

of the various elements of our leasing strategy for our owned and managed portfolio, as described further below.

	Owned Aircraft					
Activity	2003	2004	2005	2006	Three months ended March 31, 2007	Total/Average
New leases	2	5	11	15	—(7)	33
Re-leases	10	28	9	16	3	66
Extensions of lease contracts	1	7	28	15	1	52
Average lease term for new leases (months)(1)	60.0	61.2	68.7	103.2	—	82.7
Average lease term for re-leases (months)(1)	30.8	38.1	50.6	58.7	64.0	44.9
Average lease term for lease extensions (months)(2)	2.0(4)	24.9	23.0	22.3	48.0	23.1
Lease restructurings	23	9	6	1	—	39
Aircraft purchases	6	9	6	41	14	76
Aircraft sales	5(5)	9	21	17	5(6)	57
Average aircraft utilization rates(3)	97.6%	99.3%	99.1%	98.9%	97.0%	98.6%

(1) Average lease term of new leases and re-leases contracted during the period. The average lease term for new leases and re-leases is calculated by reference to the period between the date of contractual delivery to the date of contractual redelivery of the aircraft.

(2) Average lease term for aircraft extensions contracted during the period. The average lease term for lease extensions is calculated by reference to the period between the date of the original expiration of the lease and the new expiration date.

(3) Our utilization rate for aircraft is calculated based on the average number of months the aircraft are on lease each year. The utilization rate is weighted proportionate to the net book value of the aircraft at the end of the period measured.

(4) In 2003, we extended only one lease on a short-term basis.

(5) Excludes aircraft owned by AerCo which was deconsolidated on March 31, 2003.

(6) Includes the sale of one A320 aircraft to our joint venture, AerDragon, in February 2007.

(7) 13 letters of intent for the lease of new aircraft were signed in the three months ended March 31, 2007. The average term of the leases was 116.3 months.

	Managed Aircraft					
Activity	2003	2004	2005	2006	Three months ended March 31, 2007	Total/Average
New leases	—	1	—	—	—	1
Re-leases	21	19	23	9	5	77
Extensions of lease contracts	7	10	21	14	2	54
Average lease term for new leases (months)(1)	—	72.0	—	—	—	72.0
Average lease term for re-leases (months)(1)	35.1	47.3	36.4	40.9	43.2	39.7
Average lease term for lease extensions (months)(2)	17.3	20.2	30.7	21.5	42.0	25.0
Lease restructurings	8	1	1	1	—	11
Aircraft purchases	—	—	1	—	—	1
Aircraft sales	—	—	9	13	2	24

(1) Average lease term of new leases and re-leases contracted during the period. The average lease term for new leases and re-leases is calculated by reference to the period between the date of contractual delivery to the date of contractual redelivery of the aircraft.

(2) Average lease term for aircraft lease extensions contracted during the period. The average lease term for lease extensions is calculated by reference to the period between the date of the original expiration of the lease and the new expiration date.

The tables above illustrate how we have implemented our leasing strategies in response to changing trends in the aircraft leasing market. For example, in 2004 in response to changing market conditions, several airlines reduced their excess capacity by not renewing their aircraft operating leases. We were able to lessen the effects of the low number of lease extensions by identifying airlines that were increasing their capacity, including low cost carriers, and re-leasing our aircraft to those airlines. In addition, since aircraft lease rates were relatively low in 2003 and 2004, we shortened the terms of our leases to position our portfolio to take advantage of an expected upturn in the aircraft leasing market which would result in higher lease rates in the future. In contrast, in 2005, as the commercial airline sector strengthened, we lengthened the terms of our owned aircraft leases to lock-in the generally higher lease rates prevailing in the market at the time. Leases of new aircraft generally have longer terms than used aircraft which are re-leased. The average lease term for new leases increased significantly in 2006 due to the fact that we contracted to lease six aircraft from our order book to one customer, each for nine years. We experienced a lower level of lease extension activity in 2006 as we had fewer aircraft requiring remarketing because of the high number of aircraft we released in 2005 that were scheduled to come off lease in 2006 and 2007. In the first quarter of 2007, lease terms for re-leases continued to increase with terms contracted between five and six years. No new aircraft leases were signed during the first quarter of 2007. Due to the high level of leasing activity in 2005 and 2006 as shorter-term leases entered into in 2002 and 2003 expired, and since, as of December 31, 2006, we had entered into leases for all but one of our new aircraft to be delivered before January 1, 2009, there was a lower amount of leasing activity in the three months ended March 31, 2007 compared to the prior periods. We expect new lease activity to increase in the remainder of 2007. For our managed aircraft, the average term of the extensions decreased in the year ended December 31, 2006 mainly due to two short extensions for Fokker aircraft, but increased in the first quarter of 2007.

Before making any decision to lease an aircraft, we perform a review of the prospective lessee, which generally includes reviewing financial statements, business plans, cash flow projections, maintenance records, operational performance histories, hedging arrangements for fuel, foreign currency and interest rates and relevant regulatory approvals and documentation. We also typically

perform on-site credit reviews for new lessees which typically includes extensive discussions with the prospective lessee's management before we enter into a new lease. Depending on the credit quality and financial condition of the lessee, we may require the lessee to obtain guarantees or other financial support from an acceptable financial institution or other third parties.

We require our aircraft lessees to provide us with security deposits in order to protect the value of our assets. We require all of our lessees to provide a security deposit for their performance under their leases, including the return of the aircraft in the specified condition at the expiration of the lease. The size of the security deposit is typically equal to two months' rent.

All of our lessees are responsible for their maintenance costs during the lease term. Based on the credit quality of the lessee, we require some of our lessees to pay supplemental maintenance rent to cover scheduled major component maintenance costs. If a lessee pays the supplemental maintenance rent we reimburse them for their maintenance costs up to the amount of their supplemental maintenance rent payments. Under the terms of some of our leases, at lease expiration, to the extent that a lessee has paid us more supplemental maintenance rent than we have reimbursed them for their maintenance costs, we retain the excess rent. As of March 31, 2007, 44 of our lessees leasing 81 aircraft provided for the payment of supplemental maintenance rent. Whether a lessee pays supplemental maintenance rent or not, we typically agree to compensate a lessee for scheduled maintenance on airframe and engines related to the prior utilization of the aircraft. For this prior utilization, we have typically received compensation from prior lessees.

In all cases, we require the lessee to reimburse us for any costs we incur if the aircraft is not in the required condition upon redelivery, and we compensate the lessee to the extent the aircraft is returned in a better condition than required upon redelivery. All of our leases contain extensive provisions regarding our remedies and rights in the event of a default by the lessee, and specific provisions regarding the required condition of the aircraft upon its redelivery.

Our lessees are also responsible for compliance with all applicable laws and regulations governing the leased aircraft and all related costs. We require our lessees to comply with the FAA, EASA or their foreign equivalent standards.

During the term of our leases, some of our lessees have experienced financial difficulties resulting in the need to restructure their leases. Generally, our restructurings have involved a number of possible changes to the lease's terms, including the voluntary termination of leases prior to their scheduled expiration, the arrangement of subleases from the primary lessee to a sublessee, the rescheduling of lease payments and the exchange of lease payments for other consideration, including convertible bonds, warrants, shares and promissory notes. We generally seek to receive these and other marketable securities from our restructured leases, rather than deferred receivables. In some cases, we have been required to repossess a leased aircraft and in those cases, we have typically exported the aircraft from the lessee's jurisdiction to prepare it for remarketing. In the majority of these situations, we have obtained the lessee's cooperation and the return and export of the aircraft was completed without significant delay, generally within two months. In some situations, however, our lessees have not cooperated in returning aircraft and we have been required to take legal action. In connection with the repossession of an aircraft, we may be required to settle claims on the aircraft or to which the lessee is subject, including outstanding liens on the repossessed aircraft. Since our inception in 1995, we have repossessed 44 aircraft under defaulted leases with 19 different lessees in 14 jurisdictions.

Aircraft Portfolio and Existing Lessees

Our aircraft portfolio consists primarily of modern, technologically advanced and fuel-efficient narrowbody aircraft, with a particular concentration of Airbus A320 family. As of March 31, 2007, we owned and managed 238 aircraft. We owned 136 aircraft in our aircraft business, managed 98 aircraft and had an additional four aircraft which we intend to disassemble for the sale of their parts or sell at

the end of their leases. Of the 238 aircraft, 211 were on operating lease, which does not include the four aircraft we intend to disassemble or sell, and 23 were off-lease (three owned and 20 managed). Of the 23 aircraft off-lease, four were subject to our regular remarketing efforts. With respect to the other 19 aircraft (all Fairchild Dornier 328s), we have been instructed by the client to market the aircraft for sale, rather than seek to re-lease them. As of March 31, 2007, we leased the 211 aircraft on operating leases to 91 commercial airline and cargo operator customers in 45 countries. The weighted average age of our 136 owned aircraft was 7.7 years as of March 31, 2007. We believe that we own one of the youngest aircraft fleets in the world.

The following table provides details regarding our aircraft portfolio by type of aircraft as of March 31, 2007.

	Owned portfolio		Managed portfolio			
Aircraft type	Number of aircraft	Percentage of total net book value	Number of aircraft	Number of aircraft on order	Number of aircraft under purchase contract	Total owned, managed and ordered aircraft
Airbus A300 Freighter	2	2.3%	—	—	—	2
Airbus A319	10	10.1	—	24(1)	—	34
Airbus A320	53	35.8	13	50(2)	—	116
Airbus A321	22	23.3	1	1(3)	—	24
Airbus A330	9	12.7	1	20(4)	—	30
Airbus A340	1	1.2	2	—	—	3
Boeing 737	20	10.0	30	—	2	52
Boeing 767	1	1.1	2	—	—	3
Boeing 757	2	1.2	3	—	—	5
DHC Dash 8	1	—	—	—	—	1
Fokker 100	9	0.8	4	—	—	13
Fokker 70	—	—	2	—	—	2
MD-11 Freighter	1	1.2	1	—	—	2
MD-83	1	0.1	9	—	—	10
MD-82	4	0.2	7	—	—	11
Fairchild Dornier 328	—	—	23	—	—	23
Total	**136(5)**	**100.0%**	**98**	**95**	**2**	**331**

(1) Includes one A319 aircraft on order by us and 23 A319 aircraft on order by AerVenture.

(2) Includes three A320 aircraft on order by us and 47 A320 aircraft on order by AerVenture.

(3) On order by us.

(4) In May 2007, we added ten A330 aircraft to our order, increasing the total A330 on order to 30 aircraft.

(5) Excludes the four aircraft which we intend to disassemble or sell when their leases expire, consisting of three DC-9 and one Boeing 767 aircraft.

In the future we may acquire additional freighter aircraft or convert some of our older A320 family passenger aircraft to freighter aircraft. We are currently in discussions with a third party to convert certain of our aircraft to freighter aircraft.

Aircraft on Order

We have a large number of new aircraft on order, either directly or indirectly through our consolidated joint venture, AerVenture.

In 1999, we signed an aircraft purchase order with Airbus for the purchase of 32 new A320 family aircraft. As of March 31, 2007, five aircraft remained to be delivered under the agreement. The remaining aircraft consist of one A319 aircraft, three A320 aircraft and one A321 aircraft. All of these aircraft are schedule to be delivered before the end of 2007.

In January 2006, our consolidated joint venture, AerVenture, placed an order with Airbus for the purchase of 70 new A320 family aircraft. As of March 31, 2007, all of the aircraft remained to be delivered under the agreement. The AerVenture order consists of 23 A319 aircraft and 47 A320 aircraft. The initial delivery schedule for the AerVenture order includes 12 aircraft to be delivered before the end of 2008 and 58 aircraft to be delivered before the end of 2010.

In December 2006, we placed an order with Airbus to acquire 20 new A330-200 widebody aircraft. In May 2007, we added an additional ten A330-200 aircraft to this order. The delivery schedule for the 30 A330-200 aircraft order includes two aircraft to be delivered in 2008, eight aircraft in 2009, ten in 2010, four in 2011 and six in 2012.

Aircraft Subject to Purchase and Sale Agreements and Letters of Intent

In January 2007, we entered into a letter of intent for the sale of one A320 to our joint venture, AerDragon. This aircraft is expected to be delivered in July 2007.

In April 2007, we entered into purchase agreements for the purchase of two new Boeing 737-800 aircraft from another aircraft lessor. One aircraft was delivered from the manufacturer in June 2007 and the second aircraft is scheduled to be delivered in September 2007.

In May 2007, we entered into sale agreements for the sale of two A300 freighter aircraft. One of these aircraft is expected to be delivered to the purchaser in September 2007 and the second aircraft is expected to be delivered in September 2008.

In June 2007, we entered into a sale agreement for the sale of three A330-300 aircraft to a third party. These aircraft are expected to be delivered to the purchaser in July 2007.

In addition, during June 2007, we entered into sale agreements and delivered a Boeing 737-400 aircraft and an A321 aircraft to two purchasers.

As of May 31, 2007, AeroTurbine had letters of intent to purchase an additional seven aircraft and one airframe. The aircraft under letters of intent included three A320 aircraft, four Boeing 737-300 aircraft and the airframe of one Boeing 747-300. We intend to disassemble the aircraft and sell their parts or sell the aircraft. In addition we had letters of intent to sell one MD-87 aircraft and the airframe of one Boeing 747-300 aircraft to a third party. Although we expect to be able in each case to negotiate and agree on final documentation with respect to our letters of intent, we may not be able to do so and therefore these transactions may not in fact occur.

In addition, we have recently entered exclusive negotiations with an aircraft owner for the purchase of ten older aircraft, predominantly consisting of McDonnell Douglas MD-80 and Boeing 737 family aircraft. If we were to acquire these aircraft, at the end of their current lease terms, we would likely disassemble many or all of them and sell their component parts. If we are able to reach an agreement with the aircraft owner, we intend to close the transaction in the third quarter of 2007.

Lessees

The following table sets forth by lessee the percentage of our owned aircraft portfolio lease revenue for the year ended December 31, 2006:

Lessee	Percentage of 2006 lease revenue
Tombo Capital Corporation	9.4%
Thai Airways International Public Co., Ltd.	6.6
My Travel Airways PLC	4.7
Wizz Air Hungary Ltd.	4.6
Asiana Airlines Inc.	4.0
Korean Air Lease & Finance Co., Ltd.	4.0
Air Canada	3.9
Kingfisher Airlines Ltd.	3.8
Indian Airlines Ltd.	3.7
British Midland Airways Ltd.	3.4
SN Brussels(1)	3.3
Bangkok Airways Co.	3.2
Gemini Air Cargo Inc.	3.1
Sri Lankan Airlines Ltd.	2.5
British Mediterranean Airways Ltd.	2.1
Société Air France	2.0
US Airways	2.0
Other(2)	33.7
Total	**100.0**%

(1) Commercial name for Delta Air Transport N.V./S.A.

(2) No other lessee accounted for more than 2.0% of our lease revenue in 2006.

We lease our aircraft to lessees located in numerous and diverse geographical regions and have focused our leasing efforts on the fast growing Asia-Pacific market.

The following table sets forth by country the percentage of our owned aircraft lease revenues for the year ended December 31, 2006:

Country	Percentage of 2006 lease revenue
United Kingdom	11.6%
Thailand	9.8
Japan	9.5
India	8.9
United States of America	8.8
Republic of Korea	8.0
Hungary	4.6
Canada	4.0
Belgium	3.6
France	3.4
Brazil	2.7
Sri Lanka	2.5
Turkey	2.3
Indonesia	2.0
El Salvador	1.8
Germany	1.8
Iceland	1.7
Spain	1.6
Jamaica	1.1
British Virgin Islands	1.1
Mexico	1.1
Other(1)	8.1
Total	**100.0%**

(1) No other country accounted for more than 1.0% of our lease revenue in 2006.

For information regarding the commercial aviation industry generally and the markets our customers serve, see "Aircraft, Engine and Aviation Parts Industry".

As of March 31, 2007, leases representing approximately 43.2% of our lease revenues in 2006 were scheduled to expire before December 31, 2009. As of March 31, 2007, our 133 owned aircraft which are on lease (excluding the four aircraft that we intend to disassemble or sell at the end of their leases) had an average remaining lease period per aircraft of 33.4 months.

The following table sets forth as of March 31, 2007, the number of leases that were scheduled to expire between March 31, 2007 and December 31, 2016 as a percentage of our 2006 lease revenue.

Year	Percentage of 2006 lease revenue(1)	Number of aircraft with leases expiring(3)
2007(2)	5.2%	11
2008	15.3	34
2009	22.7	34
2010	9.8	16
2011	11.4	15
2012	10.7	16
2013	5.0	5
2014	0.0	0
2015	1.6	1
2016	0.0	1
Total	**81.7%**	**133**

(1) The percentage of lease revenue reflected in the table above does not sum to 100% because it does not include lease revenue from our owned aircraft that were sold in 2006 and the three months ended March 31, 2007 (5.1%), lease revenue earned by aircraft off lease as of March 31, 2007 (2.7%), revenue from the leasing of engines and parts (6.6%) and lease revenue from the aircraft subject to lease-in lease out transactions (3.9%).

(2) Represents the nine month period ended December 31, 2007.

(3) On March 31, 2007, we had three aircraft off lease. We have excluded the four aircraft which we intend to disassemble or sell at the end of the current leases.

Aircraft Acquisitions and Dispositions

From January 1, 2003 to March 31, 2007, we purchased 77 aircraft and sold 81 aircraft. In addition, as of March 31, 2007 we had negotiated and entered into contracts to purchase an additional 95 new aircraft, 25 directly and 70 through a joint venture, entered into a purchase contract to purchase two new aircraft and have executed letters of intent to purchase an additional six aircraft. In addition, on May 11, 2007, we signed an agreement with Airbus for the purchase of an additional ten A330s, bringing the total number of new aircraft on order to 105. We have a portfolio management team of 19 professionals who are dedicated to sourcing, analyzing and executing aircraft and engine acquisition and disposition opportunities.

Due to the AeroTurbine Acquisition and our large order book of aircraft, we believe that we are well positioned to take advantage of trading opportunities and expand our aircraft portfolio. We believe that our global network of strong relationships with airlines, aircraft manufacturers, MRO service providers and commercial and financial institutions gives us a competitive advantage in sourcing and executing transactions.

We purchase new and used aircraft directly from aircraft manufacturers, airlines, financial investors, other aircraft leasing and finance companies. The aircraft we purchase are both on-lease and off-lease, depending on market conditions and the composition of our portfolio. We believe there are additional opportunities to purchase aircraft at attractive prices from other investors in aircraft assets who lack the infrastructure to manage their aircraft throughout their lifecycle. The buyers of our aircraft include airlines, investors and other aircraft leasing companies. We primarily acquire aircraft at attractive prices in two ways: by purchasing large quantities of aircraft directly from manufacturers to take advantage of volume discounts, and by purchasing portfolios consisting of aircraft of varying types and ages. In addition, we also opportunistically purchase individual aircraft that we believe are being sold at attractive prices, or that we expect will increase in demand and or residual value. Through our

airline marketing team, which is in frequent contact with airlines worldwide, we are also able to identify attractive acquisition and disposition opportunities. We sell our aircraft when we believe the market price for the type of aircraft has reached its peak, or to rebalance the composition of our portfolio to meet changing customer demands.

Our dedicated, full-time portfolio management and trading group consists of marketing, financial, engineering, technical and credit professionals. Prior to a purchase, this group analyzes the aircraft's price, fit in our portfolio, specification/configuration, maintenance history and condition, the existing lease terms, financial condition and credit worthiness of the existing lessee, the jurisdiction of the lessee, industry trends, financing arrangements and the aircraft's redeployment potential and values, among other factors.

Our revolving credit facilities are designed to allow us to rapidly execute our trading strategies by providing us with large scale committed funding to acquire new and used aircraft, engines and parts. As of March 31, 2007, we had $599.9 million of committed undrawn credit facilities that allow us to purchase aircraft of up to 15 years of age and $184.3 million of committed undrawn credit facilities that allow us to purchase a broad variety of aircraft types of any age. In addition, in connection with the refinancing of Aircraft Lease Securitisation, we repaid $404.0 million net principal amount of indebtedness under our revolving credit facility, which we amended and restated, and borrowed $59.0 million under the amended and restated facility as of May 8, 2007. The Aircraft Lease Securitisation refinancing therefore increased our availability under the revolving credit facility from $599.9 million at March 31, 2007 to $941.0 million at May 8, 2007. We also have $204.7 million of undrawn amounts under a borrowing facility with commercial banks, which is guaranteed by European export credit agencies.

Joint Ventures

We expect to conduct an increasing portion of our business in the future through joint ventures. Entering into joint venture arrangements allows us to:

- order new aircraft and engines in larger quantities to increase our buying power and economic leverage;
- increase the diversity of our portfolio;
- obtain stable servicing revenues; and
- diversify our exposure to the economic risks related to aircraft and engine purchases.

AerVenture. In December 2005, we established AerVenture. In January 2006, LoadAir, an investment and construction company based in Kuwait City, purchased a 50% equity interest in AerVenture. We have invested $25.0 million in AerVenture and LoadAir has invested $25.0 million in AerVenture. We have each agreed to make additional equity contributions of up to $90.0 million. We consolidate AerVenture's financial results in our financial statements. We have developed AerVenture as a joint venture because this structure allows us to leverage our buying power to achieve more favorable aircraft acquisition terms. We have entered into exclusive agreements to provide management and marketing services to AerVenture in return for aircraft management fees and specified incentive fees which are tied to the profitability of AerVenture. Payments under these agreements will not provide any additional revenues as a result of consolidation. These agreements may be terminated by AerVenture in 2014.

In January 2006, AerVenture placed an order with Airbus for 70 new A320 family aircraft which will be delivered between 2007 and 2010. AerVenture closed a credit facility for a total amount of $119.0 million that will finance the pre-delivery payments on the first 30 aircraft to be delivered. Upon delivery of the aircraft, AerVenture will be required to arrange financing to cover the entire purchase price, including refinancing the predelivery payments, which is not covered by the joint venture's equity contributions. The initial delivery schedule includes 12 aircraft to be delivered before the end of 2008 and 58 aircraft to be delivered before the end of 2010.

AerDragon. In May 2006, we signed a joint venture agreement with China Aviation Supplies Import & Export Group Corporation and affiliates of Calyon establishing AerDragon. AerDragon consists of two companies, Dragon Aviation Leasing Company limited, based in Beijing with a registered capital of $10.0 million and AerDragon Aviation Partners Limited, based in Ireland with a registered capital of $50.0 million. AerDragon is 50% owned by China Aviation and 25% owned by each of us and Calyon. Following receipt of the local Chinese approvals required for it to begin operations, AerDragon commenced operations in October 2006. We will act as the exclusive aircraft manager for the joint venture. This contract may be terminated upon the earlier to occur of either July 1, 2009, or the occurrence of specified events, such as AerDragon developing the expertise to manage its own aircraft. In the future, one of the main sources of aircraft for AerDragon is likely to be the acquisition of aircraft through sale leaseback transactions with Chinese airlines. This joint venture enhances our presence in the increasingly important China market and will enhance our ability to lease our aircraft and engines throughout the entire Asia-Pacific region. We do not consolidate AerDragon's financial results in our financial statements. AerDragon acquired its first aircraft, an Airbus A320 aircraft, in February 2007. This aircraft was acquired directly from Airbus through an assignment of our purchase right under our 1999 agreement with Airbus.

Annabel and Bella. In 2005, we signed a joint venture agreement with Deucalion Capital Limited to form the Annabel joint venture in which we hold a 25% equity interest. Annabel purchased a used A340 aircraft in 2005. The aircraft is on lease to Sri Lanka Airlines through 2008. In 2006, we signed a joint venture agreement with Deucalion to form the Bella joint venture in which we hold a 50% equity interest. Bella purchased two used Airbus A330-300 aircraft in April 2006, one of which is on lease through 2009 and one of which is on lease through 2013. We receive fee income for providing aircraft management services to both Annabel and Bella. We consolidate Bella's financial results in our financial statements but do not consolidate Annabel's financial results in our financial statements. We do not expect these joint ventures to acquire any additional aircraft.

Relationship with Airbus

We have a close and longstanding mutually advantageous relationship with Airbus. Our relationship dates back to our formation, when DaimlerChrysler AG (formerly known as Daimler-Benz AG), a principal shareholder of European Aeronautic Defense & Space Company—EADS N.V., an 80% shareholder of Airbus, was one of our founding shareholders. In the last 10 years, we, directly or through our joint ventures, have contracted to purchase over 100 new commercial jet aircraft from Airbus and 24 used aircraft from Airbus. We maintain a wide-ranging dialogue with Airbus seeking mutually beneficial opportunities such as taking delivery of new aircraft on short notice and purchasing used aircraft from airlines seeking to renew their fleet with Airbus aircraft.

Aircraft Services

We are one of the aircraft industry's leading providers of aircraft asset management and corporate services to securitization vehicles, joint ventures and other third parties. As of March 31, 2007, we had aircraft management and administration service contracts with 14 parties covering over 350 aircraft (including the 70 aircraft on order by AerVenture) two of which accounted for 71% of our aircraft services revenue in the three months ended March 31, 2007. We categorize our aircraft services into aircraft asset management, administrative services and cash management services. Since we have an established operating system to provide these services to manage our own aircraft assets, the incremental cost of providing aircraft management services to securitization vehicles, joint ventures and third parties is limited. Our primary aircraft asset management activities are:

- remarketing aircraft;
- collecting rental and maintenance payments, monitoring aircraft maintenance, monitoring and enforcing contract compliance and accepting delivery and redelivery of aircraft;
- conducting ongoing lessee financial performance reviews;

- periodically inspecting the leased aircraft;
- coordinating technical modifications to aircraft to meet new lessee requirements;
- conducting restructurings negotiations in connection with lease defaults;
- repossessing aircraft;
- arranging and monitoring insurance coverage;
- registering and de-registering aircraft;
- arranging for aircraft and aircraft engine valuations; and
- providing market research.

We charge fees for our aircraft management services based primarily on a mixture of fixed retainer amounts, but we also receive performance based fees related to the managed aircrafts' lease revenue or sale proceeds, or specific upside sharing arrangements.

We provide cash management and administrative services to securitization vehicles and joint ventures. As of March 31, 2007, we had four cash management agreements with clients holding an aggregate of 269 aircraft in their portfolios and five administrative agency agreements with clients holding an aggregate of 311 aircraft in their portfolios. Cash management services consist of treasury services such as the financing, refinancing, hedging and on going cash management of these vehicles. Our administrative services consist primarily of accounting and secretarial services, including the preparation of budgets and financial statements, and liaising with, in the case of securitization vehicles, the rating agencies.

Engine and Parts

Overview

On April 26, 2006, we acquired all of the share capital of AeroTurbine. AeroTurbine was established in 1997 and is engaged in engine trading and leasing and the disassembly of airframes and engines for the sale of their component parts to the global aviation industry. We acquired AeroTurbine to:

- implement our strategy of profitably managing aircraft throughout their lifecycle,
- diversify our investments in aviation assets,
- obtain a more significant presence in the market for older aircraft equipment and
- take advantage of its broad customer base.

To facilitate the integration of AeroTurbine, we entered into three year employment contracts with key members of its senior management. In addition, our indirect shareholders granted key members of AeroTurbine's senior management indirect equity interests in us, so that they share a vested interest in achieving the successful integration of our aircraft business with AeroTurbine's engine and parts business.

Engine Acquisitions and Dispositions

Engine acquisitions and dispositions are a core part of our engine and parts business. We believe that our market insight and recurring customer relationships have been the key factors underlying our success in this business. In addition, we opportunistically acquire engines that require maintenance work and refurbish those engines in our MRO operations. By pursuing these acquisition strategies, we believe we have been able to acquire our engines at attractive prices.

We purchase engines for which there is high market demand or for which we believe demand will increase in the future. We opportunistically sell and exchange engines when we believe that the realizable value from a sale or exchange will equal or exceed the realizable value that we would expect to receive from leasing or disassembling the engine for the sale of its parts.

In determining whether to purchase or sell an engine, we assess the value of each engine according to a number of factors, including its hardware composition, airworthiness directive compliance and

service bulletin status, life-limited parts thresholds, historical maintenance documentation, performance data and material certifications.

Our extensive experience buying, selling, leasing, repairing and disassembling engines for their parts has provided us with in-depth trading and management expertise across the most popular commercial product lines manufactured by General Electric, CFM International, Pratt & Whitney, Rolls-Royce and International Aero Engines. We conduct extensive technical and maintenance records due diligence before we purchase each engine. Our experienced team of dedicated acquisition and maintenance professionals is composed of 78 licensed aircraft and engine mechanics and 11 aircraft maintenance record specialists who track and document the maintenance history of each engine that is to be acquired. We are frequently able to correct or reconstruct engine maintenance records, which can lower the maintenance and acquisition cost of our engines and aircraft. Since commencing operations in 1997, AeroTurbine has sold over 300 engines, generating revenues in excess of $250 million.

We typically finance the purchase of engines with borrowed funds and internally generated cash flows. We believe that we are able to react more rapidly to engine acquisition opportunities than most of our competitors because we have substantial committed financing and can often identify, conduct due diligence and close on prospective acquisitions in less than one week. We have a $220.0 million committed revolving facility which we can use to fund acquisitions of aircraft, engines and aircraft parts. As of March 31, 2007, we had $184.3 million of funds available under this revolving facility.

Engine Portfolio

We maintain a diverse inventory of high-demand, modern and fuel-efficient engines. As of March 31, 2007, we owned 65 engines and had three new engines on order through AerVenture and one engine under letter of intent by AeroTurbine. Our engine portfolio consists primarily of CFM56 series engines, one of the most widely used engines in the commercial aviation market. As of March 31, 2007, 53 of our 65 engines were CFM56 series engines manufactured by CFM International. In August 2006, AerVenture entered into a contract with CFM International to acquire four new spare CFM 56-5B and two new spare CFM 56-7B engines. These engines are scheduled to be delivered over the next 24 months and will be either leased or sold.

We expect to expand and further diversify our engine portfolio in the future through engine acquisitions and aircraft disassemblies. As our aircraft portfolio ages, and specific aircraft become suitable for disassembly, we intend to disassemble such aircraft and remove high demand engines for addition to our engine portfolio, while the remaining airframes and engines will be disassembled for sale of their component parts.

We have the ability to perform limited MRO services on CFM56 series engines, which comprise most of the engines in our engine portfolio. As we obtain sufficient numbers of other engine models, we intend to further develop additional in-house MRO capabilities to achieve greater cost advantages.

Airframe and Engine Disassembly and Parts Sales

Over time, the combined value of a typical aircraft's parts will eventually exceed the value of the aircraft as a whole operating asset, at which time the aircraft may be retired from service. Traditional aircraft lessors and airlines often retire their aircraft by selling or consigning them to companies that specialize in aircraft and engine disassembly. The AeroTurbine Acquisition has allowed us to incorporate this valuable revenue source into our integrated business model, which is focused on managing aircraft and engines throughout their lifecycle.

We sell airframe parts primarily to aircraft parts distributors and MRO service providers. Airframe parts comprise a broad range of aircraft sub-component groups, including avionics, hydraulics and pneumatic systems, auxiliary power units, landing gear, interiors, flight control surfaces, windows and panels. We have disassembled 76 aircraft for the sale of their parts and we believe that we were among the first to voluntarily and strategically disassemble Boeing 737-300 and Airbus A320 family aircraft.

Our aircraft disassembly operations are focused on the strategic acquisition of aircraft with engines that are among the most sought after in the secondary market.

We are focused on developing long-term supply relationships with clients that perform MRO services on aircraft and engines. Parts sales allow us to increase the value of our aircraft and engine assets by putting each sub-component (engines, airframes and related parts) to its most profitable use (sale, lease, and/or disassembly for parts sales). In addition, this capability provides us with an additional cost advantage over our non-integrated competitors by providing us with a critical source of low cost replacement engines and parts to support the maintenance of our aircraft and engine portfolios.

Prior to the acquisition of our Goodyear facility, we outsourced the physical disassembly of our airframes into parts, but sold the airframe parts ourselves.

Engine Leasing

Generally, it is uneconomical for aircraft operators with small aircraft fleets to own the quantity of spare engines required to adequately cover their operational requirements. As a result, aircraft operators often lease spare engines when they send out their engines for off-site MRO. Spare engines are generally leased either directly from engine lessors like us, or from the MRO service provider that is repairing the aircraft operator's engine. To meet their clients' needs, MRO service providers often lease engines from engine lessors. We are focused on the short-term engine lease market with a typical lease term of 60 to 180 days. Short-term engine leases tend to have higher lease rates than long-term leases, because lessees require the engines on short notice and are willing to pay a premium for the flexibility of a short term lease. Engines subject to short-term leases typically spend more time off-lease, while they are released with greater frequency.

The short-term engine leasing market has also developed in part in response to airlines' need to rapidly place aircraft back in service in the event of an unexpected engine problem. Short-term engine leases provide an alternative to owning spare engines or entering into long-term leases, where the engines can needlessly sit idle for long periods. To meet clients' urgent engine leasing needs, we typically maintain a substantial inventory of ready-to-lease engines in our off lease inventory. We believe that our ability to modify and configure most of our lease portfolio engines is an important competitive advantage, since it can facilitate the rapid installation of our engines onto our customers' aircraft. In addition, we have the capability to provide limited on-site maintenance and repair for most of our leased engines which, in some circumstances, enables us to facilitate the return to service of our customers' grounded aircraft.

Our engine leasing customer base is comprised of a wide variety of airlines and cargo and charter operators, in addition to MRO service providers, and other aircraft and engine leasing companies. As of March 31, 2007, we had engines on lease to 21 customers located in 14 countries.

We generally receive a fixed rental payment for our leased engines plus a variable rental payment based on the use of the engine. We typically receive monthly rent for our engines in advance, and additional rent for actual engine operation in arrears to compensate us for the anticipated future maintenance costs of such engines. Our engine lessees generally provide us with a security deposit in the amount of two months rent, in addition to which we receive the first month's rental payment in advance.

On a few occasions, our engine lessees have experienced financial difficulties, requiring us to terminate or restructure our engine leases with the lessee. Over the past eight years, we have only had to resort to legal action for the repossession of engines with one of our lease customers.

Airframe MRO Capability

On August 4, 2006, we leased an aircraft MRO facility located in Goodyear, Arizona and hired 74 of the employees working at the facility. In connection with this lease, we acquired an additional certified repair station which is certified by the FAA and EASA and associated equipment which

permits us to perform a variety of MRO services on commercial transport aircraft, including aircraft heavy maintenance and limited powerplant repair. The Goodyear facility includes a 226,000 square foot hangar with the ability to house up to four widebody aircraft, or eight narrowbody aircraft for the purpose of performing heavy maintenance repairs, aircraft disassemblies and engine changes. The ramp area outside of the hangar can facilitate both short and long term storage of up to 14 aircraft. In addition to the hangar and ramp space, there is a significant storage field capable of storing over 100 aircraft. This transaction was primarily made to reduce our cost of aircraft disassembly and to support the expansion of our airframe parts distribution business. During the nine months that we have been operating at the facility, we have disassembled 18 aircraft and have performed a heavy airframe maintenance, or a C2 check, on an AerCap managed aircraft and "return to service" checks on two MD11 and two DC9 aircraft.

Recent Developments

AeroTurbine is considering acquiring a company that specializes in airframe and engine rotable repair, sale and leasing to end-user customers. If we acquire such a company, we would broaden the base of our existing airframe and engine rotable distribution channels into which we sell parts stemming from aircraft and engine disassembly, from sales made primarily to resellers to include sales made to end-user airlines and operators, which we believe will result in higher margins. We are currently in discussions with one company and are in the process of gathering preliminary information. We anticipate that if we were to acquire this company, our initial investment would range from $5 million to $20 million.

Our Audit Committee recently completed an independent investigation related to alleged improper accounting matters at AeroTurbine. In particular, upon receipt of allegations from an AeroTurbine employee, our Audit Committee appointed independent counsel, who retained independent accountants, to assist with the investigation. Based upon the findings of the independent counsel and accountants, our Audit Committee determined, and our Board of Directors agreed, that the allegations are without foundation.

Financing

Our management analyzes sources of financing based on the pricing and other terms and conditions in order to optimize the return on our investments. We have the ability to access the bank, governmental secured debt, securitization and debt capital markets. We generally do not engage in financing transactions for individual aircraft or engines. In April 2006, we entered into a $1.0 billion revolving credit facility with a syndicate of banks led by UBS to facilitate our growth strategy and the acquisition of aircraft up to 15 years of age. Simultaneously with the AeroTurbine Acquisition and the closing of the UBS facility, we put in place a $171.0 million facility which was later increased to $220.0 million that enables us to acquire eligible aircraft engines and parts of any age. These facilities provide us with large scale committed financing that will allow us to rapidly execute aircraft portfolio purchases.

Once we obtain sufficient aircraft through our revolving credit facilities, we generally leverage our extensive financing experience and access to the securitization and other long-term debt markets to obtain long-term, lower cost non-recourse financing. Since 1996, we have raised over $19.0 billion of funding in the global financial markets including over $9 billion of funds through initial issuances and refinancings in the aircraft securitization market. Most recently, in May 2007, we completed a $1.66 billion securitization of 70 aircraft subject to operating leases. This securitization was a refinancing of our 2005 securitization. In the refinancing, we added 28 aircraft to the securitization, including 24 which had been previously secured by a variety of other debt structures and four which had yet to be purchased by us.

Subsidiaries

Although AerCap Holdings N.V.'s major subsidiaries are AeroTurbine Inc., AerCap CNW Finance Ltd., Orchid Aircraft Leasing Limited, AerCap Ireland Ltd. and AerCap B.V., AerCap Holdings N.V. has numerous other subsidiaries, none of which contribute more than 5% of our consolidated revenues or represent more than 5% of our total assets.

Employees

The table below provides the number of our employees at each of our geographical locations as of the dates indicated.

Location	December 31, 2004	December 31, 2005	December 31, 2006	March 31, 2007
Amsterdam, The Netherlands	80	71	71	70
Shannon, Ireland	23	27	37	38
Fort Lauderdale, FL	10	11	13	14
Miami, FL(1)	99	124	163	169
Goodyear, AZ(2)	—	—	67	70
Total	**212**	**233**	**351**	**361**

(1) Employees located in Miami, Florida are employees of AeroTurbine which we acquired in April 2006.

(2) On August 4, 2006, AeroTurbine leased an aircraft MRO facility located in Goodyear, Arizona and hired 74 of the employees working at the facility.

None of our employees are covered by a collective bargaining agreement and we believe that we maintain excellent employee relations. By law we are required to have a works council for our operations in The Netherlands, and we anticipate that elections with respect to the works council will take place in the third quarter of 2007. A works council is an employee organization that is granted certain statutory rights to be involved in certain of the company's decision making processes. The exercise of such rights, however, must take into account the interests of the company and its shareholders.

Competition

The aircraft leasing and sales business is highly competitive. We face competition from aircraft manufacturers, financial institutions, other leasing companies, aircraft brokers and airlines. Competition for a leasing transaction is based on a number of factors, including delivery dates, lease rates, term of lease, other lease provisions, aircraft condition and the availability in the market place of the types of aircraft that can meet the needs of the customer. As a result of our geographical reach, diverse aircraft portfolio and success in remarketing our aircraft, we believe we are a strong competitor in all of these areas; however, some of our competitors such as GE Commercial Aviation Service and International Lease Finance Corporation, have significantly larger and more diversified aircraft portfolios and greater access to financing than we do. As of March 31, 2007, GE Commercial Aviation Service and International Lease Finance Corporation together, according to Airclaims Client Aviation System Enquiry Database, represent approximately 44.0% of the operating lease market and 44.5% of the orders from Boeing and Airbus held by operating lessors.

The engine leasing industry is fragmented and is also highly competitive. The engine leasing industry is generally divided into two principal competitive segments: short-term engine lessors that focus on providing temporary spare engine support while a customer's engine requires off-site MRO (typical 60 to 90 day lease periods) and long-term engine lessors that focus on providing spare or primary engines to operators as an alternative to ownership of the engine by the lessee (typical lease periods of over one year). Though we are much more active in the short-term engine leasing segment, we compete in both lease segments. The engine leasing market is primarily comprised of six major engine leasing companies, including ourselves. We believe we are a strong competitor, particularly in the short-term engine leasing segment, due to our rapid response in-house MRO capabilities; however, some of our competitors such as GE Engine Leasing, Shannon Engine Support, Engine Lease Finance, Pratt & Whitney Engine Leasing LLC, Rolls Royce and Partners Finance and Willis Lease Finance, have significantly larger and more diversified engine portfolios and greater access to financing than we do. We also encounter competition from airlines, financial institutions, engine brokers, consignment agencies and special purpose entities with investment objectives similar to ours.

The aircraft parts market is generally divided into two principal segments, consisting of (i) airframe parts sales and (ii) engine parts sales specialists. While we compete in both markets with a few large companies, we also separately compete with numerous other parts sales organizations, MRO service providers, original equipment manufacturers, commercial airlines and many smaller competitors primarily in the U.S. and Europe. Additionally, there are numerous small brokers and traders that generally sell from limited inventories and participate in niche markets. Competition in the aircraft and engine parts markets is based on quality, ability to provide a timely and consistent source of materials, ability to provide a multiple range of desirable products, speed of delivery and pricing.

Insurance

Our lessees are required under our leases to bear responsibility, through an operational indemnity subject to customary exclusions, and to carry insurance for, any liabilities arising out of the operation of our aircraft or engines, including any liabilities for death or injury to persons and damage to property that ordinarily would attach to the operator of the aircraft or engine. In addition, our lessees are required to carry other types of insurance that are customary in the air transportation industry, including hull all risks insurance for both the aircraft and each engine whether or not installed on our aircraft, hull war risks insurance covering risks such as hijacking, terrorism, confiscation, expropriation, nationalization and seizure (in each case at a value stipulated in the relevant lease which typically exceeds the net book value by 10%, subject to adjustment in certain circumstances) and aircraft spares insurance and aircraft third party liability insurance, in each case subject to customary deductibles. We are named as an additional insured on liability insurance policies carried by our lessees, and we and/or our lenders are designated as a loss payee in the event of a total loss of the aircraft or engine. We monitor the compliance by our lessees with the insurance provisions of our leases by securing confirmation of coverage from the insurance brokers. We also purchase insurance which provides us with coverage when our aircraft or engines are not subject to a lease or where a lessee's policy lapses for any reason. In addition we carry customary insurance for our property and parts inventory, and we also maintain customary product liability insurance covering liabilities arising from our aircraft, engine and aviation parts trading activities. Insurance experts advise and make recommendations to us as to the appropriate amount of insurance coverage that we should obtain.

Regulation

While the air transportation industry is highly regulated, since we do not operate aircraft, we generally are not directly subject to most of these regulations. However, our lessees are subject to extensive regulation under the laws of the jurisdiction in which they are registered and in which they

operate. These regulations, among other things, govern the registration, operation and maintenance of our aircraft and engines. Most of our aircraft are registered in the jurisdiction in which the lessee of the aircraft is certified as an air operator. Both our aircraft and engines are subject to the airworthiness and other standards imposed by our lessees' jurisdictions of operation. Laws affecting the airworthiness of aviation assets are generally designed to ensure that all aircraft, engines and related equipment are continuously maintained in proper condition to enable safe operation of the aircraft. Most countries' aviation laws require aircraft and engines to be maintained under an approved maintenance program having defined procedures and intervals for inspection, maintenance and repair.

In addition, under our leases, we may be required in some instances to obtain specific licenses, consents or approvals for different aspects of the leases. These required items include consents from governmental or regulatory authorities for certain payments under the leases and for the import, re-export or deregistration of the aircraft and engines. Also, to perform some of our cash management services and insurance services from Ireland under our management arrangements with our joint ventures and securitization entities, we are required to have a license from the Irish regulatory authorities which we have obtained.

With regard to our MRO activities, we maintain FAA and EASA certifications to conduct limited repair station tasks on engines. These certifications are subject to periodic review, and involve regulatory oversight and audit of the respective personnel and procedures utilized to conduct MRO services to aircraft, engines and components thereof, so as to ensure that our repair station managers and mechanics are properly qualified to perform the work for which we are certified. In addition, our MRO facility is subject to environmental regulation regarding, among other things, the use, storage and disposal of certain hazardous material.

Facilities

We lease our 30,000 square foot headquarters in Amsterdam, The Netherlands under a six year lease which began January 1, 2004. We also lease a 31,000 square foot facility in Shannon, Ireland where we conduct our aircraft management business. The Shannon facility is under a 20 year lease which began January 26, 2000 with an option to terminate after ten years. In addition, we lease an 8,000 square foot facility in Fort Lauderdale, Florida under a ten year lease which began in February 1999. We believe that our facilities in Amsterdam, Ireland and Fort Lauderdale are sufficient for our operations.

We have a ten year lease, which began on January 1, 2004 for a 150,000 square foot complex located near the Miami International Airport that we use as an office and warehouse. We lease our Goodyear facility, which includes a 226,000 square foot hangar and substantial additional space for aircraft outdoor storage, pursuant to a long-term lease that expires in 2026.

In addition to the above facilities, we also lease small offices in Beijing, China and Brighton, U.K.

Trademarks

We have registered the "AerCap" name with WIPO International (Madrid) Registry and the Benelux Merkenbureau. We have made an application to register the "AerCap" name with the United States Patent and Trademark Office. The application is currently pending. We have registered the "AeroTurbine" name with the United States Patent and Trademark Office.

Litigation

In the ordinary course of our business, we are a party to various legal actions, which we believe are incidental to the operation of our business. Except as disclosed below, we believe that the outcome of the proceedings to which we are currently a party will not have a material adverse effect on our financial position, results of operations and cash flows.

VASP Litigation

We leased 13 aircraft and three spare engines to VASP, a Brazilian airline. In 1992, VASP defaulted on its lease obligations and we commenced litigation against VASP to repossess our aircraft. In 1992, we obtained a preliminary injunction for the repossession and export of 13 aircraft and three spare engines from VASP. We repossessed and exported the aircraft and engines in 1992. VASP appealed this decision. In 1996, the High Court of the State of Sao Paulo ruled in favor of VASP on its appeal. We were instructed to return the aircraft and engines to VASP for lease under the terms of the original lease agreements. The High Court also granted VASP the right to seek damages in lieu of the return of the aircraft and engines. Since 1996 we have pursued this case in the Brazilian courts through various motions and appeals. On March 1, 2006, the Superior Court of Justice dismissed our most recent appeal and on April 5, 2006 a special panel of the Superior Court of Justice confirmed the Superior Court of Justice decision. On May 15, 2006 we appealed this decision to the Federal Supreme Court. On February 23, 2006, VASP commenced a procedure for the calculation of the award for damages and has appointed an expert to assist the court in calculating damages. Both we and VASP have the right to appoint our own expert to assist the court appointed expert in this process. Our external legal counsel has advised us that even if we lose on the merits, they do not believe that VASP will be able to demonstrate any damages. We continue to actively pursue all courses of action that may be available to us and intend to defend our position vigorously.

We are currently pursuing claims for damages in the English courts against VASP based on the damages we incurred as a result of the default by VASP on its lease obligations. In October 2006, the English Courts approved our motion to serve process upon VASP in Brazil. VASP will be served process in Brazil, by means of a rogatory letter which is currently being processed before the Brazilian Superior Court of Justice. Our management, based on the advice of external legal counsel, has determined that it is not necessary to make any provisions for this litigation.

Swedish Tax Dispute

In 2001, Swedish tax authorities challenged the position we took in tax returns we filed for the years 1999 and 2000 with respect to certain deductions. In accordance with Swedish law, we made a guaranty payment to the tax authority of $16.8 million in 2003. We appealed the decision of the tax authorities, and, in August 2004, a Swedish Court issued a ruling in our favor which resulted in a tax refund of $19.9 million (which included interest and the effect of foreign exchange movements for the intervening period). In September 2004, the Swedish tax authorities appealed the decision of the Court and filed an appeal with the Administrative Court of Appeal in Sweden. We have responded to this appeal and have requested an oral hearing on the matter. The Court has responded that it will schedule an oral hearing, but we have not yet received notice of the timing of such hearing. Our management, based on the advice of our tax advisors, has determined that it is not necessary to make any provisions for this tax dispute.

Export Credit Facility Financings

General. In April 2003, we entered into an $840.0 million export credit facility for the financing of up to 20 Airbus A320 aircraft. Funding under the facility is provided by commercial banks, but the repayment is guaranteed by European export credit agencies. In January 2006, the export credit facility was amended and extended to cover an additional nine aircraft and its size increased to a maximum of $1.2 billion. The terms of the lending commitment in the export credit facility are such that the export credit agencies only approve funding for aircraft that are due for delivery on a six-months rolling basis and have no obligation to fund deliveries beyond that period. At March 31, 2007, we had financed 17 aircraft under the April 2003 export credit facility. We had $580.6 million of loans outstanding under our April 2003 export credit facility and the previous export credit facilities as of March 31, 2007.

Interest Rate. Set forth below are the interest rates for our export credit facilities.

	Amount outstanding at March 31, 2007		Interest rate
	(US dollars in thousands)		
Floating Rate Tranches:	$	146,372	Three-month LIBOR plus 0.12%
		387,921	Three-month LIBOR plus 0.25%
		46,293	Three-month LIBOR plus 0.30%
Purchase Accounting Fair Value Adjustments		(9,954)	
Total:	**$**	**570,632**	

Maturity Date. We are obligated to repay principal on the export credit facility over a 12-year term.

Collateral. The export credit facilities require legal title to the aircraft be transferred to and held by a special purpose company controlled by the respective lenders. We have entered into lease agreements on these aircraft which transfer the risk and rewards of ownership of the aircraft to AerCap. The obligations outstanding under the export credit facilities are secured by, among other things, a pledge of the shares of the company which holds legal title to the aircraft financed under the facility. Each subsidiary's obligations under the financings are guaranteed by AerCap Holdings N.V.

Certain Covenants. The export credit facilities contain affirmative covenants customary for secured financings. The facilities also contain net worth financial covenants. In addition, loans under the 2003 export credit facilities contain change of control provisions that grant the lenders the right to prepayment of their loans in the event of a change of control, unless the lenders consent to the change of control, which was obtained in connection with the 2005 Acquisition. A change of control occurs under our April 2003 export credit facility if our shares cease to be listed on The New York Stock Exchange unless, at the time our shares cease to be listed on The New York Stock Exchange, at least 66.66% of our ordinary shares are owned and controlled by one or more shareholders rated at least BBB- by Standard & Poor's Ratings Services and Baa3 or more by Moody's Investors Service, Inc.

Aircraft Lease Securitisation

General. On May 8, 2007, we completed a refinancing of our Aircraft Lease Securitisation securitization with the issuance of $1.66 billion of securitized notes in one class of AAA-rated class G-3 floating rate notes. The proceeds from the refinancing were used to redeem all outstanding Aircraft Lease Securitisation debt, other than the most junior class of notes, to refinance the indebtedness that had been incurred to purchase 24 previously acquired aircraft, and to finance the purchase of four

additional new aircraft, increasing Aircraft Lease Securitisation's aircraft portfolio size to 70 aircraft. The primary source of payments on the notes is lease payments on the aircraft owned by the subsidiaries of Aircraft Lease Securitisation. We retained the most junior class of notes in the securitization, as a result of which we still consolidate Aircraft Lease Securitisation's results in our financial statements.

MBIA Insurance Corporation issued a financial guaranty insurance policy to support the payment of interest when due and principal on the final maturity on the new notes, which are rated Aaa and AAA by Moody's Investors Service and Standard & Poor's Ratings Services, respectively.

Liquidity. Calyon provided a liquidity facility in the amount of $72.0 million, which may be drawn upon to pay expenses of Aircraft Lease Securitisation and its subsidiaries, senior hedge payments and interest on the new senior class of notes.

Interest Rate. Set forth below are the interest rates for our classes of notes.

	Amount outstanding at May 31, 2007	Interest rate
	(US dollars in thousands)	
Class G-3 Notes	$ 1,660,000	One-month LIBOR plus 0.26%
Total	**$ 1,660,000**	

Aircraft Management Services. We provide lease and aircraft management and re-leasing and remarketing services for Aircraft Lease Securitisation's aircraft, for which we receive a retainer fee of 0.212% per year of the initial appraised value of the aircraft, which was $2.1 billion, a monthly fee equal to 1.0% of the aggregate rent actually paid each month, and a sales-based incentive fee of 1.25% of the specified target sales prices for the sale or insured loss of an aircraft. The target sales price for an aircraft is 90% of the appraised value of the aircraft, which is adjusted annually. We also provide insurance services for which we receive an annual fee of $50,000 and administrative services for which we receive a monthly fee of $1,380 for each aircraft, subject to annual adjustments for inflation and a minimum of $0.2 million per year.

We may be terminated as manager and administrative agent by Aircraft Lease Securitisation or MBIA Insurance Corporation if we default on our obligations as manager or administrative agent or become insolvent. In addition, we may be terminated as manager if:

- at the time of an event of default under the trust indenture for the securitization, at least 12 aircraft are not subject to leases and have been off-lease and reasonably available for re-lease for the previous three months,
- an event of default arises under the trust indenture as a result of our failure as manager to perform certain covenants in the trust indenture and the failure affects more than 10% of the Aircraft Lease Securitisation aircraft (based on the most recent appraised value of the aircraft at that time), or
- we, as manager, cease to be actively involved in the aircraft advisory and management business.

We, as manager, may not be removed or resign prior to the expiration of the servicing agreement unless a replacement manager has been appointed.

Payment Terms. The interest and principal payments on the notes are due on a monthly basis. To the extent that the amount of funds available for payment on any payment date exceeds the amount needed to pay all payments having an equal or higher priority under the trust indenture, any such excess funds will be applied to reduce the outstanding principal balance of the new notes by

distributing such excess amount in accordance with the priority of payments set forth in the trust indenture.

Aircraft Lease Securitisation may voluntarily redeem the new notes at a price that equals the outstanding principal balance of the applicable notes multiplied by a scheduled percentage. On the closing date of the securitization, the scheduled percentage for the new notes was 101% for the class G-3 notes, and such percentage decreases gradually until May 15, 2010. On that date, the redemption price of the notes will equal the outstanding principal balance of the notes. In addition, Aircraft Lease Securitisation must pay any accrued but unpaid interest on the notes and any premium due to MBIA Insurance Corporation upon redemption of the notes. Aircraft Lease Securitisation may redeem the notes in whole or in part, provided that if a default notice has been given under the trust indenture or the maturity of any notes has been accelerated then Aircraft Lease Securitisation may only redeem the notes in whole.

Maturity Date. The final maturity date of the notes will be May 10, 2032.

Collateral. The property of Aircraft Lease Securitisation includes the rights under the financial guaranty insurance policy. The notes are secured by security interests in and pledges or assignments of equity ownership and beneficial interests in the subsidiaries of Aircraft Lease Securitisation, as well as by the interests of Aircraft Lease Securitisation's subsidiaries' interests in leases of the aircraft they own, by cash held by or for them and by their rights under agreements with the service providers. Rentals and reserves paid under leases of the Aircraft Lease Securitisation aircraft will be placed in a collection account and paid out according to a priority of payments.

UBS Revolving Credit Facility

General. On April 26, 2006, our consolidated subsidiary, AerFunding 1 Limited entered into a non recourse senior secured revolving credit facility in the aggregate amount of up to $1.0 billion with UBS Real Estate Securities LLC., UBS Securities Inc., Deutsche Bank Trust Company Americas and certain other financial institutions. The facility was further amended on May 8, 2007. The revolving loans under the UBS revolving credit facility are divided into two classes: class A loans, which have a maximum advance limit of $830.0 million and class B loans, which have a maximum advance limit of $170.0 million. As of May 31, 2007, we had $41.4 million of loans outstanding under the UBS revolving credit facility. Borrowings under the UBS revolving credit facility can be used to finance between 66% and 79% of the appraised value of the acquired aircraft or, in the case of Boeing 737NG and Airbus A320 family aircraft, between 74% and 80% of the lower of the purchase price and the appraised value of the acquired aircraft. In addition, value enhancing expenditures and required liquidity reserves are also funded by the lenders. All borrowings under the UBS revolving credit facility are subject to the satisfaction of customary conditions and restrictions on the purchase of aircraft that would result in our portfolio becoming too highly concentrated, with regard to both aircraft type and geographical location. Notwithstanding these restrictions, we believe that the UBS revolving credit facility provides us with significant flexibility to purchase and finance aircraft.

Interest Rate. Borrowings under the UBS revolving credit facility bear interest (a) in the case of class A loans, based on the eurodollar rate plus the class A applicable margin, or (b) in the case of class B loans, based on the eurodollar rate plus the class B applicable margin. The following table sets

forth the applicable margin for the two classes of the UBS revolving credit facility during the periods specified:

	Class A	Class B
Borrowing period(1)	1.35%	3.75%
First 180 days following conversion	2.10%	4.50%
From 181 days to 360 days following conversion	2.60%	5.00%
From 361 days to 450 days following conversion	2.85%	5.25%
From 450 days to 541 days following conversion	3.10%	5.50%
Thereafter	3.35%	5.75%

(1) The borrowing period is three years from May 8, 2007, after which the loan converts to a term loan.

Additionally, we are subject to (a) a 0.25% fee on any unused portion of the unused class A loan commitment and (b) a 0.50% fee on any unused portion of the unused class B loan commitment.

Payment Terms. Interest on the loans is due on a monthly basis. Principal on the loans amortizes on a monthly basis to the extent funds are available. All outstanding principal not paid during the term is due on the maturity date.

Prepayment. Advances under the UBS revolving credit facility may be prepaid without penalty upon notice, subject to certain conditions. Mandatory partial prepayments of borrowings under the UBS revolving credit facility are required:

- upon the sale of certain assets by a borrower, including any aircraft or aircraft engines financed or refinanced with proceeds from the UBS revolving credit facility;
- upon the occurrence of an event of loss with respect to an aircraft or aircraft engine financed with proceeds from the UBS revolving credit facility from the proceeds of insurance claims; and
- upon the securitization of any interests or leases with respect to aircraft or aircraft engines financed with proceeds from the UBS revolving credit facility.

Maturity Date. The maturity date of the UBS revolving credit facility is May 8, 2013.

Cash Reserve. AerFunding is required to maintain up to 6.0% of the borrowing value of the aircraft in reserve for the benefit of the class A and B lenders. Amounts held in reserve for the benefit of the class A and B lenders are available to the extent there are insufficient funds to pay required expenses, hedge payments or principal of or interest on the class A and B loans on any payment date. The amounts on reserve are funded by the lenders.

Collateral. Borrowings under the UBS revolving credit facility are secured by, among other things, security interests in and pledges or assignments of equity ownership and beneficial interests in all of the subsidiaries of AerFunding, as well as by AerFunding's interests in the leases of its assets.

Certain Covenants. The UBS revolving credit facility contains covenants that, among other things, restrict, subject to certain exceptions, the ability of AerFunding and its subsidiaries to:

- sell assets;
- incur additional indebtedness;
- create liens on assets, including assets financed with proceeds from the UBS revolving credit facility;
- make investments, loans, guarantees or advances;

- declare any dividends or other asset distributions other than to distribute funds paid to us out of the flow of funds under the UBS revolving credit facility;
- make certain acquisitions;
- engage in mergers or consolidations;
- change the business conducted by the borrowers and their respective subsidiaries;
- make specified capital expenditures, other than those related to the purchase, maintenance or conversion of assets financed with proceeds from the UBS revolving credit facility;
- own, operate or lease assets financed with proceeds from the UBS revolving credit facility; and
- enter into a securitization transaction involving assets financed with proceeds from the UBS revolving credit facility unless certain conditions are met.

AeroTurbine Calyon Loans and Facility

General. On December 13, 2006, AeroTurbine entered into an amended and restated senior credit agreement with Calyon and certain other financial institutions identified therein. Pursuant to this agreement, the total commitment of the revolving loan facility under the original senior credit agreement increased from $171.0 million to $220.0 million, and AeroTurbine repaid in full the senior secured term loan amounts outstanding under that agreement, as well as the junior secured term loan amounts outstanding under the related junior credit agreement. As of March 31, 2007, AeroTurbine had $35.7 million outstanding under the Calyon revolving loan facility.

Interest Rate. Under the Calyon revolving loan facility, AeroTurbine can borrow revolving loans based on either LIBOR or ABR (which is a rate per annum equal to the greater of the prime rate in effect on such day and the federals funds effective rate in effect on such day plus 1/2 of 1%). Interest rates depend on the type of loan borrowed and AeroTurbine's debt-to-earnings ratio at the time of borrowing. Set forth below are the interest rates for the Calyon revolving loan facility.

	Amount outstanding at March 31, 2007		Interest rate	
	(US dollars in thousands)		ABR Loans	LIBOR Loans
Revolving Loan Facility	$ 35,688	When AeroTurbine's Consolidated Leverage Ratio is less than 3.5:1	ABR + 0.0%	LIBOR + 1.5%
	—	When AeroTurbine's Consolidated Leverage Ratio is equal to or greater than 3.5:1	ABR + 0.5%	LIBOR + 2.0%
Total	**$ 35,688**			

Prepayment. Advances under the Calyon revolving loan facility may be prepaid without prepayment penalty. Mandatory prepayments of the Calyon revolving loan facility are required:

- if the aggregate principal amount of loans under the revolving loan facility exceeds the borrowing base; and
- upon the receipt of proceeds of any property or casualty insurance claim or any condemnation proceeding relating to any asset of the AeroTurbine or its subsidiaries.

Payment Terms. Payments of interest under the revolving loan facility are due quarterly (or, if the interest period is less than three months for a LIBOR loan, the last day of the interest period for that loan). Payments of principal on the revolving loan facility are due on the maturity date. All outstanding loans not paid during the term shall be due on the maturity date.

Maturity Date. The maturity date of the Calyon revolving loan facility is April 26, 2011.

Collateral. Borrowings under the Calyon revolving loan facility are secured by security interests in and pledges or assignments of all the shares and other ownership interests in AeroTurbine and its subsidiaries, as well as by all assets of AeroTurbine and its subsidiaries.

Certain Covenants. The Calyon revolving loan facility contains a number of covenants that, among other things, restrict, subject to certain exceptions, the ability of AeroTurbine to:

- incur additional indebtedness;
- create liens on assets, including assets financed with proceeds from the Calyon revolving loan facility;
- make advances, loans, extensions of credit, guarantees, capital contributions or other investments;
- declare or pay any dividends or other asset distributions;
- engage in mergers or consolidations;
- engage in certain sale-leaseback transactions;
- change the business conducted by AeroTurbine and its subsidiaries; and
- make certain capital expenditures.

In addition, the Calyon revolving loan facility requires AeroTurbine to maintain certain minimum debt-to-earnings and earnings-to-expenses ratios.

Japanese Operating Lease Financings

General. We entered into several Japanese operating lease financing structures to finance aircraft acquisitions. Funding under these structures is provided through a combination of senior commercial bank debt and subordinated loans from Japanese investors. At March 31, 2007, we had financed three aircraft under Japanese operating lease financings. The aggregate principal amount of the loans outstanding under Japanese operating leases financings was $98.3 million as of March 31, 2007.

Interest Rate. Set forth below are the interest rates for our senior loans and subordinated debt.

	Amount outstanding at March 31, 2007	Average interest rates
	(US dollars in thousands)	
Senior loan	$ 68,195	Three-month LIBOR plus 0.95%
Subordinated debt	30,133	Fixed rate 4.03%
Total	**$ 98,328**	

Collateral. Our Japanese operating leases financings require legal title to the aircraft be transferred to and held by a special purpose company controlled by the respective lenders. We have entered into lease agreements on the subject aircraft which transfer the risk and rewards of ownership of the aircraft to us. The obligations outstanding under our Japanese operating leases financings are

secured by a pledge of the shares of the company which holds legal title to the aircraft financed under the facility. Each subsidiary's obligations under the financings are guaranteed by AerCap Holdings N.V.

Certain Covenants. Our Japanese operating leases financings contain affirmative covenants customary for secured financings.

AerVenture Pre-delivery Payment Facility

General. In November 2005, AerVenture signed a letter of intent to purchase 70 Airbus A320 family aircraft. A purchase agreement for the aircraft was signed in January 2006. The aircraft are scheduled to be delivered between November 2007 and August 2010. Under the purchase agreement, AerVenture agreed to make scheduled pre-delivery payments to Airbus prior to the physical delivery of each aircraft. In connection with the scheduled delivery of the first 30 aircraft before the end of 2009, AerVenture and Calyon entered into a facility on November 3, 2006 in which Calyon has arranged a credit facility, the AerVenture facility, to finance a portion of the pre-delivery payments to Airbus in an amount up to $118.9 million. Prior to drawing on the AerVenture facility, AerVenture will pay, on average, 54% of the pre-delivery payment amount owed for each aircraft to be delivered in 2007, 60% of such amounts for each aircraft to be delivered in 2008 and 42% of such amount for each aircraft to be delivered in 2009. AerVenture must repay the lenders for the amounts drawn for the pre-delivery payment for each aircraft at the delivery date of that aircraft or, if the aircraft is not delivered on the scheduled delivery date, within three months of the scheduled delivery date. We agreed with Calyon that we will invest at least an additional $25 million in AerVenture, subject to limited exceptions. The aggregate principal amount of the loans outstanding under the AerVenture pre-delivery payment facility was $19.5 million as of March 31, 2007.

Interest Rate. Borrowings under the AerVenture facility bear interest at a floating interest rate of one-month LIBOR plus a margin of 1.65%, payable monthly in arrears after the initial drawing on the AerVenture facility.

Prepayment. Borrowings under the AerVenture facility may be prepaid without penalty, except for break funding costs if payment is made on a day other than an interest payment date. AerVenture will be required to repay the pre-delivery payment financing relating to an aircraft on the date the aircraft is delivered to AerVenture.

Maturity Date. The maturity date of the AerVenture facility is November 3, 2009, however, in the event of delayed delivery of the aircraft, the maturity date may be extended up to the earlier of (i) the delayed delivery date of the aircraft and (ii) January 31, 2010, for the repayment of the indebtedness financing the pre-delivery payments of the delayed aircraft.

Collateral. Borrowings under the AerVenture facility are secured by, among other things, the partial assignment of the airframe and engine purchase agreements in respect of the 30 aircraft covered by the facility, including the right to take delivery of the aircraft where Calyon has provided the pre delivery payments and the aircraft remains undelivered.

Certain Covenants. The AerVenture facility contains customary affirmative and financial covenants for secured financings. We have agreed to maintain a minimum of 25% of the shares of AerVenture until the AerVenture facility is fully repaid. AerVenture is required to maintain a minimum net worth and a debt to equity ratio below a specified threshold.

Bella Term Loans

General. On each of April 21, 2006 and May 10, 2006, our 50% owned consolidated joint venture, Bella Aircraft Leasing 1 Limited, entered into a loan agreement with DVB Bank AG, London Branch to provide for two term loans of up to $31.2 million and $28.0 million, each to finance the purchase of

an aircraft. The maturity dates of the loans are February 27, 2009 and May 11, 2011, respectively. Borrowings under the loans are secured by security interests in and pledges of all shares in the borrower, the accounts to which lease payments are made, the aircraft, and certain of the borrower's rights under the lease and the loan documents. As of March 31, 2007, the amount outstanding under each loan was $28.4 million and $25.9 million, respectively.

Interest Rate. Borrowings under the April 21, 2006 loan agreement bear interest at a fixed rate of 7.32%. Borrowings under the May 10, 2006 loan agreement bear interest at a fixed rate of 7.70%.

Certain Covenants. The loans include general and operating covenants that restrict the borrower from incurring additional indebtedness and other limitations which are customary for such credit facilities.

GATX Aircraft Calyon Facility

General. On October 12, 2006, a wholly owned subsidiary entered into a senior secured loan facility in the aggregate amount of up to $248.0 million with Calyon and certain other financial institutions in order to finance the purchase of 25 aircraft from GATX, 24 of which were acquired by us. Borrowings under the senior facility can be used to finance the lesser of 70% of the purchase price of each aircraft and a specified percentage of the loan amount allocated to such aircraft. Concurrently with this facility, we will provide junior and subordinated debt to finance the balance of the purchase price. This subsidiary entered into (a) a junior loan facility with us in an aggregate amount of up to $30.5 million to finance a portion of the purchase price of each aircraft not financed under the senior facility and (b) a subordinated note purchase agreement to finance the portion of the purchase price of each such aircraft not financed under the senior facility or the junior facility. Initially, we or one of our wholly owned subsidiaries are providing the junior loan facility and the subordinated note financing. As of March 31, 2007, the amount outstanding under the senior facility was $210.5 million.

Interest Rate. Borrowings under the senior facility bear interest at a rate of one month LIBOR plus 1.75% per annum for the first five years of the term, and at a rate of one month LIBOR plus 2.25% per annum for the remainder of the term.

Prepayment. After full repayment of amounts outstanding under the liquidity facility described below, prepayment of borrowings under the senior facility is permitted with notice, subject to a prepayment fee during the initial two years of the senior facility. Mandatory prepayments of borrowings related to a particular aircraft are required:

- upon the sale or other disposal of a financed aircraft;
- upon the total loss of a financed aircraft; and
- if any document granting a security interest to the senior and junior lenders and other secured parties ceases to be in full force and effect.

Payment Terms. Payments of principal and interest under the loan are due on a monthly basis, and all outstanding principal not paid during the term is due on the final maturity date.

Maturity Date. The final maturity date of the loans is October 12, 2013.

Put to AerCap. If the junior and senior loans attributable to any financed aircraft are not paid by the earlier of (a) the 21st anniversary of the date of manufacture of such aircraft and (b) the final maturity date of the loans, then the collateral agent for the lenders may cause such aircraft to be sold to our wholly-owned subsidiary, AerCap B.V., for a purchase price equal to the outstanding principal amount of the junior and senior loans attributable to such aircraft together with breakage costs plus a pro rata portion of any amounts outstanding under the liquidity facility and taxes and expenses.

Liquidity Facility. Calyon has provided a liquidity facility in an amount equal to the greater of (i) $10.0 million and (ii) $27.0 million multiplied by a fraction, the numerator of which is the aggregate outstanding principal amount under the senior and junior facilities and the denominator of which is the aggregate amounts committed under the senior and junior facilities. The liquidity facility may be drawn upon to finance any shortfall in certain amounts owed on any repayment date, including, minimum principal payments, payments of interest due under the senior or junior facility and certain expenses.

Aircraft Management Services. We provide aircraft management services in respect of the financed aircraft, for which we receive a fee.

Collateral. Borrowings under the senior facility are secured by mortgages on the aircraft and security interest in and pledges or assignments of all the shares and other ownership interests in the borrower and its subsidiaries, as well as their bank accounts and lease interests.

Certain Covenants. The loans include general and operating covenants that restrict the borrower from incurring additional indebtedness and other limitations which are customary for such credit facilities.

Other Commercial Bank Financings

We have entered into various commercial bank financings to fund the purchase of aircraft. The financings mature at various dates through 2019. The interest rates are LIBOR based with spreads ranging from 0.95% to 1.80%. The financings are secured by, among other things, a pledge of the shares of the subsidiaries owning the related aircraft, a guarantee from us and, in certain cases, a mortgage on the applicable aircraft. The aggregate principal amount of the loans outstanding under the commercial bank financings was $326.3 million as of March 31, 2007.

All of our financings contain affirmative covenants customary for secured financings. Four of the commercial bank financings contain change of control provisions that grant the lenders the right to prepayment of their loans in the event of a change of control, unless the lenders consent to the change of control.

MANAGEMENT

Directors and Executive Officers

Name	Age	Position
Directors		
Pieter Korteweg	65	Non-Executive Chairman of the Board of Directors
Ronald J. Bolger	59	Non-Executive Director
James N. Chapman	45	Non-Executive Director
Klaus W. Heinemann	56	Executive Director, Chief Executive Officer
W. Brett Ingersoll	43	Non-Executive Director
Marius J.L. Jonkhart	57	Non-Executive Director
Gerald P. Strong	62	Non-Executive Director
David J. Teitelbaum	35	Non-Executive Director
Robert G. Warden	34	Non-Executive Director
Executive Officers		
Wouter M. (Erwin) den Dikken	39	Chief Legal Officer
Patrick P. den Elzen	41	Head of Trading
Soeren E. Ferré	39	Head of Europe, Middle East, Africa & Asia-Pacific Regions
Nicolas Finazzo	50	AeroTurbine Chief Executive Officer
Keith A. Helming	48	Chief Financial Officer
Aengus Kelly	34	Group Treasurer
Heinrich H. Loechteken	45	Chief Investment Officer
Anil Mehta	57	Executive Vice President of Americas
Robert B. Nichols	51	AeroTurbine Chief Operating Officer
Cole T. Reese	42	Chief Tax & Accounting Officer
Reynoud K. Simonis	44	Chief Technical Officer

Directors

Pieter Korteweg. Mr. Korteweg has been a director of our company since September 20, 2005. He serves in various positions in numerous organizations including as Chairman of the Supervisory Board of a number of Cerberus companies in the Netherlands, including Aozora Bank Ltd., consultant to and Vice Chairman of Cerberus Global Investment Advisors, LLC and member of the Supervisory Boards of DaimlerChrysler Netherlands B.V. and Hypo Real Estate Holding AG. He also serves as senior advisor to Anthos B.V. Mr. Korteweg previously served as Chairman of the Supervisory Board of Pensions and Insurance Supervisory Authority of The Netherlands, Chairman of the Supervisory Board of the Dutch Central Bureau of Statistics and Vice-Chairman of the Supervisory Board of De Nederlandsche Bank from 2002 to 2004. From 1987 to 2001, Mr. Korteweg was President and Chief Executive Officer of the Group Executive Committee of Robeco Group in Rotterdam. From 1981 to 1986, he was Treasurer General at The Netherlands Ministry of Finance. In addition, Mr. Korteweg was a professor of economics from 1971 to 1998 at Erasmus University Rotterdam in The Netherlands. Mr. Korteweg holds a PhD in Economics from Erasmus University Rotterdam.

Ronald J. Bolger. Mr. Bolger has been a director of our company since October 11, 2005. Mr. Bolger currently serves as a member of the board of directors of a number of companies including Ely Capital Ltd., Irish Food Processors, C & D Foods Ltd., Galway Clinic Doughiska Ltd. and Global Shares Plc. He is a former Managing Partner of KPMG Ireland and has wide experience in the financial services industry. He served on the Irish Prime Minister's Committee for Dublin's

International Financial Services Centre from 1987 to 2002. Mr. Bolger was appointed Honorary Consul General of Singapore in Ireland in 2000. Mr. Bolger is a Chartered Accountant and holds a BA in Economics from University College Dublin.

James N. Chapman. Mr. Chapman has been a director of our company since December 7, 2005. Mr. Chapman is non-executive Vice Chairman and Director of JetWorks Leasing, LLC, an aircraft management services company based in Greenwich, Connecticut, which he joined in December 2004. Prior to JetWorks, Mr. Chapman joined Regiment Capital Advisors, LLC in January 2003, a high-yield hedge fund based in Boston. Prior to Regiment, Mr. Chapman was a capital markets and strategic planning consultant and worked with private and public companies as well as hedge funds (including Regiment) across a range of industries. Mr. Chapman also serves as a director of Coinmach Service Corp. (AMEX: DRY/DRA) and Scottish Re Group, Ltd. (NYSE: SCT). Mr. Chapman also serves as a member of the board of directors of a number of private companies. Mr. Chapman received an MBA with distinction from Dartmouth College and was elected as an Edward Tuck Scholar. He received his BA, with distinction, magna cum laude, from Dartmouth College and was elected to Phi Beta Kappa, in addition to being a Rufus Choate Scholar.

Klaus W. Heinemann. Mr. Heinemann has been the Chief Executive Officer of our company since April 2003 and has over 25 years of experience in the aviation financing industry. Mr. Heinemann has been a director of our company since 2002. Mr. Heinemann joined our company in October 2002 from DVB Bank, where he was a Member of the Executive Board. In 1988 he joined the Long-Term Credit Bank of Japan in London as Deputy General Manager and Head of the Aviation Group. He was later appointed as Joint General Manager of the Head Office at the Long Term Credit Bank of Japan, where he was responsible for the Transportation Finance division before this division was sold to DVB Bank in 1998. Mr. Heinemann started his career with Bank of America in 1976, where he helped to build up its Aviation Finance department in Europe. Mr. Heinemann holds the degree of Diplom Kaufmann (Bachelor of Commerce) from the University of Hamburg.

W. Brett Ingersoll. Mr. Ingersoll has been a director of our company since September 20, 2005. He is currently a Managing Director of Cerberus Capital Management, L.P., a senior member of its Private Equity Practice and a member of its Investment Committee. Mr. Ingersoll is also a director of ACE Aviation Holdings Inc. and a member of the Audit, Finance and Risk Committee and the Human Resources and Compensation Committee of ACE Aviation Holdings Inc. In addition, Mr. Ingersoll is a director of various public and private companies, including Coram Health Care, IAP Worldwide Services, Inc., Aeroplan (AER TO), Entrecap, Talecris Bio Therapeutics, Inc. and Endura Care, LLC. Prior to joining Cerberus in 2002, Mr. Ingersoll was a Partner at JP Morgan Partners (formerly Chase Capital Partners) from 1993 to 2002. Mr. Ingersoll received his MBA from Harvard Business School and his BA from Brigham Young University.

Marius J.L. Jonkhart. Mr. Jonkhart has been a director of our company since October 11, 2005. Mr. Jonkhart is currently the Chief Executive Officer of NOB Holding N.V. He is currently also a member of the Supervisory Boards of Connexxion Holding N.V., Corus Nederland B.V., Orco Banking Group and Staatsbosbeheer, Chairman of the Supervisory Board of Ruimte voor Ruimte Beheer B.V. and a non-executive director of Aozora Bank. Mr. Jonkhart is an advisor to Cerberus Global Investment Advisors, LLC. Mr. Jonkhart was previously the Chief Executive Officer of De Nationale Investerings Bank N.V. and also served as the director of monetary affairs of the Dutch Ministry of finance. He was also a professor of finance at Erasmus University Rotterdam. He has served as a member of a number of supervisory boards, including the Supervisory Boards of the European Investment Bank, Bank Nederlandse Gemeenten N.V., Postbank N.V., NPM Capital N.V., Kema N.V., AM Holding N.V. and De Nederlandsche Bank N.V. He has also served as chairman of the Investment Board of ABP Pension Fund and several other funds. Mr. Jonkhart holds a Master's degree in Business

Administration, a Master's degree in Business Economics and a PhD in Economics from Erasmus University Rotterdam.

Gerald P. Strong. Mr. Strong has been a director of our company since July 26, 2006. He currently is a Managing Director of Cerberus European Capital Advisors LLP. Mr. Strong has extensive senior experience in a number of industries, including airlines, global communications, retailing, and consumer products. He has served senior roles in the restructuring and building of a number of international businesses in his career. Mr. Strong was Chairman of the Advisory Board on Telecom Security to the government of the United Kingdom from 2002 to 2005 and President and Chief Executive Officer of Teleglobe International Holdings Limited. He is also a member of the Governing Council of the Ashridge Business School, a Director of NewPage Corporation and Chairman of Virtual IT. Mr. Strong received his BA with honors from Trinity College, Dublin.

David J. Teitelbaum. Mr. Teitelbaum has been a director of our company since September 20, 2005. Mr. Teitelbaum is a Managing Director of Cerberus European Capital Advisors LLP and has worked for Cerberus and/or its affiliates since 1997. Prior to joining Cerberus, Mr. Teitelbaum worked in the investment banking department of Donaldson, Lufkin & Jenrette. Mr. Teitelbaum holds a BS in Business Administration from the University of California, Berkeley.

Robert G. Warden. Mr. Warden has been a director of our company since September 20, 2005. He is also currently a Managing Director of Cerberus Capital Management, L.P., which he joined in February 2003. Mr. Warden is also currently a director of Aeroplan and Bluelinx Corporation. Prior to joining Cerberus, Mr. Warden was a Vice President at J.H. Whitney from May 2000 to February 2003, a Principal at Cornerstone Equity Investors LLC from July 1998 to May 2000 and an Associate at Donaldson, Lufkin & Jenrette from July 1995 to July 1998. Mr. Warden received his AB from Brown University.

Executive Officers

Wouter M. (Erwin) den Dikken. Mr. den Dikken was appointed as our Chief Legal Officer in 2005 and has served as the Head of the Group Legal Services department since 2004. He joined our legal department in 1998. Prior to joining us, Mr. den Dikken worked for an international packaging company in Germany as Senior Legal Counsel where he focused on mergers and acquisitions. Mr. den Dikken holds a law degree from Utrecht University.

Patrick P. den Elzen. Mr. den Elzen was appointed as the Head of Trading in 2005 and he served as the Vice President of Financial Engineering of our company prior to this appointment. Prior to joining us in October 2003, Mr. den Elzen worked as the Senior Vice President of Corporate Development with IEM Airfinance for two years, and before that, he worked in various capacities with ING Bank and ING Lease for eight years. Mr. den Elzen holds a Master's degree from the University of Amsterdam in Business Administration and International Financial Markets.

Soeren E. Ferré. Mr. Ferré has been the Head of Europe, Middle East, Africa & Asia-Pacific Region of our company since June 2006. He joined our company in September 2003 as Vice President of Marketing for the Asia-Pacific region. In July 2004, he was appointed as the Head of Sales and Marketing for the Asia-Pacific region. He started his career at Airbus in 1990 and was based in Toulouse, France. In 1995, he moved to China and became the head of the marketing team covering China, Hong Kong and Macau for Airbus prior to becoming a Sales Director in 1999 in charge of the major Chinese airlines. In 2001, Mr. Ferré moved to Sydney to become the Director of Sales for the Pacific region for Airbus where he was in charge of the major airlines in that region. Mr. Ferré holds a Bachelor's degree in Engineering from the ENAC—Ecole National de l'Aviation Civile.

Nicolas Finazzo. Mr. Finazzo is the Chief Executive Officer of AeroTurbine, which he co founded in 1997. He has been active in the aviation industry for over 25 years. In 1982 he founded Air Florida commuter carrier Southern Express Airways. In 1987 Mr. Finazzo joined Miami based Greenwich Air Services as Vice President—Contracts. In 1992 he became Vice President & General Counsel to Miami based International Air Leases, and in 1997, he accepted a similar position at Miami based AeroThrust Corp. Mr. Finazzo earned a JD from the University of Miami School of Law and a BS in Political Science from the University of Michigan. He is a member of the Florida Bar and also holds an Airframe & Powerplant license issued by the Federal Aviation Administration.

Keith A. Helming. Mr. Helming assumed the position of Chief Financial Officer of AerCap effective August 21, 2006. Prior to joining us, he was a long standing executive at GE Capital Corporation, including serving recently for five years as Chief Financial Officer at aircraft lessor GE Commercial Aviation Services (GECAS). He was with General Electric Company for over 25 years, beginning with their Financial Management Program in 1981. In addition to the GECAS role, Mr. Helming served as the Chief Financial Officer of GE Corporate Financial Services, GE Fleet Services and GE Consumer Finance in the United Kingdom, and also held a variety of other financial positions throughout his career at GECC. Mr. Helming holds a Bachelor of Science degree in Finance from Indiana University.

Aengus Kelly. Mr. Kelly has been the Group Treasurer of our company since 2005. He started his career in the aviation leasing and financing business with Guinness Peat Aviation in 1998 and has continued working with its successors AerFi in Ireland and debis AirFinance and AerCap in Amsterdam. Prior to joining GPA in 1998, he spent three years with KPMG in Dublin. Mr. Kelly is a Chartered Accountant and holds a Bachelor's degree in Commerce and a Master's degree in Accounting and Finance from University College Dublin.

Heinrich H. Loechteken. Mr. Loechteken has been the Chief Investment Officer of our company since August 2006. Prior to serving as our Chief Investment Officer, Mr. Loechteken served as our Chief Financial Officer between September 2002 and August 2006. Prior to his employment with us, Mr. Loechteken served as the Chief Financial Officer of DaimlerChrysler Capital Services in Norwalk, Connecticut, where he was responsible for the financial operations of the non-automotive finance activities of DaimlerChrysler in North America, Europe and Asia. He also served as the Chief Credit Officer for DaimlerChrysler Services in Berlin, Germany prior to his appointment as Chief Financial Officer. Before joining DaimlerChrysler in 1996, he worked for six years in various positions in corporate finance, credit analysis and credit risk management at Deutsche Bank. Mr. Loechteken holds the degree of Diplom Kaufmann from the University of Muenster where he majored in Finance and Bank Controlling.

Anil Mehta. Mr. Mehta has been the Executive Vice President of Americas for our company since June 2006. Prior to serving in this capacity, he was the Head of Europe, Middle East, Africa & Indian Subcontinent Region since 2004. Mr. Mehta joined our company in 1997 in the Marketing and Sales Department and was promoted to become the Executive Vice President of Marketing and a Member of the Group Executive Committee in 2003. Mr. Mehta has over 30 years of experience in the aviation industry. Mr. Mehta has served in various capacities at Fokker Aircraft based in Amsterdam, holding various positions in Flight Test, Performance Engineering, Marketing and Sales. In 1989 he moved to the United States to serve as Regional Sales Director. Anil Mehta has a Bachelor's Degree in Engineering from Birla Institute of Technology & Science in Pilani, India.

Robert B. Nichols. Mr. Nichols is the Chief Operating Officer for AeroTurbine and co-founded AeroTurbine in 1997. He has been active in the aviation industry for over 20 years. He joined Aviall in 1982 and assumed various roles in the administration of JT8D & CFM56 3 power plant maintenance. Mr. Nichols joined Braniff Airways in 1988 as Manager of Powerplant & Warranty Administration and participated in the oversight of outsourced powerplant maintenance covering JT8D, V2500 and Tay 650 engines. When Braniff ceased operations, Mr. Nichols joined Greenwich Air Services in 1989 as Director of Engine Maintenance Sales. In 1990 he joined AeroThrust Corp. where he became Vice President of Engine Sales & Leasing. Mr. Nichols is a graduate of the University of Texas where he earned a BS in Business Administration.

Cole T. Reese. Mr. Reese has been the Chief Tax and Accounting Officer of our company since September 2002. Prior to joining AerCap, Mr. Reese worked for nine years for MCC Financial Corporation, a turboprop operating lessor in Washington D.C., where he ultimately became Chief Financial Officer. Mr. Reese also worked for three years with Ernst & Young. He is a U.S. certified public accountant and holds a Master's degree in Accountancy and a BS in Accounting from Brigham Young University.

Reynoud K. Simonis. Mr. Simonis has been the Chief Technical Officer of our company since 2005. Mr. Simonis joined our company in 1998 as Technical Manager and was eventually promoted to become Senior Vice President of the Technical department. Mr. Simonis started his career in 1989 at the Schreiner Aviation Group where he held various positions in technical management, quality management and material management, and was based in The Netherlands as well as Lagos, Nigeria. In 1996, he joined Transavia Airlines as Quality Manager. Mr. Simonis holds a Master's degree in Aerospace Engineering from the Delft University of Technology.

Board of Directors

General

Our Board of Directors currently consists of nine directors, eight of whom are non executive directors and are independent under the independence definition in The Netherlands Corporate Governance Code. As a foreign private issuer, as defined by the Securities Exchange Act of 1934, as amended, we are not required to have a majority independent board of directors under applicable New York Stock Exchange rules.

We apply the Netherlands Corporate Governance Code independence criteria. According to these criteria, to be considered "independent", a director (and his or her spouse and relatives in the second degree) may not, among other things, (i) in the five years prior to his or her appointment, have been an employee or executive director of us or any Dutch public company affiliated with us, (ii) in the year prior to his or her appointment, have had an important business relationship with us or any Dutch public company affiliated with us, (iii) receive any financial compensation from us or any Dutch public company affiliated with us other than for the performance of his or her duties as a director or other than in the ordinary course of business, (iv) hold 10% or more of our ordinary shares (including ordinary shares subject to any shareholder's agreement), (v) be a member of the management or supervisory board of a company owning 10% or more of our ordinary shares, (vi) in the year prior to his or her appointment, has temporarily managed our day-to-day affairs while the executive director was unable to discharge his or her duties and (vii) be an executive director of a company where an executive director of AerCap is a non-executive or supervisory director.

The directors are appointed at the general meeting of the shareholders. Our directors may be elected by the vote of a majority of votes cast at a general meeting of shareholders provided that our Board of Directors has proposed the election. Cumulative voting is not permitted. Without a Board of Directors proposal, directors may also be elected by the vote of a majority of the votes cast at a general meeting of shareholders if the majority represents at least one-third of our issued capital.

Directors are elected for a term of four years with the current term of each director ending on the day of our annual general meeting of shareholders for the year ended December 31, 2010, which must be held before June 30, 2011. None of the non-executive directors' service contracts provide for benefits upon termination.

Shareholders may remove or suspend a director by the vote of a majority of the votes cast at a general meeting of shareholders provided that our Board of Directors has proposed the removal. Our shareholders may also remove or suspend a director, without there being a proposal by the Board of Directors, by the vote of a majority of the votes cast at a general meeting of shareholders if the majority represents at least one-third of our issued capital. Our directors are not required to retire at a specified age.

Under our Articles of Association, the rules for the Board of Directors and the board committees and Netherlands corporate law, the members of the Board of Directors are collectively responsible for the management, general and financial affairs and policy and strategy of our company.

The executive director is our Chief Executive Officer, who is primarily responsible for managing our day-to-day affairs as well as other responsibilities that have been delegated to the executive director in accordance with our Articles of Association and our internal rules for the Board of Directors. The non-executive directors supervise the Chief Executive Officer and our general affairs and provide general advice to our Chief Executive Officer. In performing their duties, the non-executive directors are guided by the interests of the company and shall, within the boundaries set by relevant Netherlands law, take into account the relevant interests of our shareholders. The internal affairs of the Board of Directors are governed by our rules for the Board of Directors.

The Chairman of the Board is obligated to ensure, among other things, that (i) each director receives all information about matters that he or she may deem useful or necessary in connection with the proper performance of his or her duties, (ii) each director has sufficient time for consultation and decision making, and (iii) the Board of Directors and the board committees are properly constituted and functioning.

Each director has the right to cast one vote and may be represented at a meeting of the Board of Directors by a fellow director. The Board of Directors may pass resolutions only if a quorum of four directors, including our Chief Executive Officer, the Chairman or Vice Chairman is present at the meeting. All resolutions must be passed by an absolute majority of the votes cast. If there is a tie, the matter will be decided by the Chairman of our Board of Directors or in his or her absence, the Vice Chairman.

Subject to Netherlands law, resolutions may be passed in writing by a majority of the directors in office. Pursuant to the internal rules for our Board of Directors, a director may not participate in discussions or the decision making process on a transaction or subject in relation to which he or she has a conflict of interest with us. Resolutions to enter into such transactions must be approved by a majority of our Board of Directors, excluding such interested director or directors.

Committees of the Board of Directors

The Board of Directors has established a Group Executive Committee, a Group Portfolio and Investment Committee, a Group Treasury and Accounting Committee, an Audit Committee and a Nomination and Compensation Committee.

Our Group Executive Committee is responsible for our operational management. It is chaired by our Chief Executive Officer and is comprised of ten current members of our senior management. The current members of our Group Executive Committee are Klaus Heinemann, Heinrich Loechteken, Keith Helming, Aengus Kelly, Patrick den Elzen, Erwin den Dikken, Reynoud Simonis, Cole Reese, Soeren Ferré and Anil Mehta.

Our Group Portfolio and Investment Committee has authority to enter into and is responsible for transactions relating to the acquisition and disposal of aircraft, engines and financial assets that are in excess of $100 million but less than $500 million. It is chaired by our Chief Investment Officer and is comprised of members of the Group Executive Committee and non-executive directors or any other person appointed by the Board of Directors upon recommendation of the Nomination and Compensation Committee. The current members of our Group Portfolio and Investment Committee are Keith Helming, Soeren Ferré, Heinrich Loechteken, Klaus Heinemann, Robert Warden, Oliver Brown, Patrick den Elzen, Nicolas Finazzo and Reynoud Simonis.

Our Group Treasury and Accounting Committee has authority and is responsible for committing debt funding in excess of $100 million but not exceeding $500 million per transaction. It is chaired by our Chief Financial Officer and is comprised of certain members of the Group Executive Committee and certain non-executive directors or any other person appointed by the Board of Directors upon recommendation of the Nomination and Compensation Committee. The current members of our Group Treasury and Accounting Committee are Keith Helming, Cole Reese, David Teitelbaum, Klaus Heinemann, Aengus Kelly, Heinrich Loechteken and Robert Warden.

Our Audit Committee assists the Board of Directors in fulfilling its responsibilities relating to the integrity of our financial statements, our risk management and internal control arrangements, our compliance with legal and regulatory requirements, the performance, qualifications and independence of external auditors, and the performance of the internal audit function. The Audit Committee is chaired by a person with the necessary qualifications who is appointed by the Board of Directors and is comprised of three non-executive directors who are "independent" as defined by Rule 10A 3 of the Securities Exchange Act of 1934, as amended, as well as under The Netherlands Corporate Governance Code. The current members of our Audit Committee are Marius Jonkhart, James Chapman and Ronald Bolger.

Our Nomination and Compensation Committee selects, recruits and determines the remuneration, bonuses and other terms of employment of candidates for the positions of the Chief Executive Officer, non-executive director and Chairman of the Board of Directors, recommends candidates for the Audit Committee, plans the succession within the Board of Directors and committees and monitors compliance with the prohibition on loans to executive officers and directors under the Sarbanes-Oxley Act of 2002. It is chaired by the Chairman of our Board of Directors and is comprised of two non-executive directors appointed by the Board of Directors. The current members of our Nomination and Compensation Committee are Brett Ingersoll, Marius Jonkhart and Pieter Korteweg.

Nomination and Compensation Committee Interlocks and Insider Participation

None of our Nomination and Compensation Committee members or our executive officers have a relationship that would constitute an interlocking relationship with executive officers or directors of another entity or insider participation in compensation decisions.

Compensation of Non-Employee Directors

We currently pay each non-executive director who is not affiliated with Cerberus an annual fee of €75,000 and pay each of these directors an additional €2,000 per meeting. We pay our Chairman of our Board of Directors €150,000 per year. In addition, we pay the chairs of the Audit Committee and Nomination and Compensation Committee an annual fee of € 18,000 and each committee member will receive an annual fee of €6,000 and a fee of €2,000 per committee meeting. All members of the Board of Directors are reimbursed for reasonable costs and expenses incurred in attending meetings of our Board of Directors.

Executive Officer Compensation

In 2006, we paid an aggregate of approximately €9.1 million in cash and benefits as compensation to our 14 executive officers during the year. In 2006, we paid our executive officers three types of bonuses: annual target bonuses, major transaction bonuses and loyalty bonuses. The amount of the annual target bonus is based on the achievement of personal targets, as set out in a personal target agreement. Major transaction bonuses are paid to members of our management team for the completion of major transactions, such as significant debt and equity financings and merger and acquisition activities. The loyalty bonuses are paid to retain executive officers and to retain key members of our staff. All bonuses are determined by our Chief Executive Officer with approval from the Nomination and Compensation Committee, and the Nomination and Compensation Committee determines the amount of any bonuses paid to our Chief Executive Officer. We do not have a separate obligation for executive pension, retirement or similar benefits and accordingly there are no accruals for any such liabilities.

Equity Incentive Plan

Bermuda Parents Equity Incentive Plan

The Bermuda Parents, our indirect shareholders, have implemented an equity incentive plan that is designed to motivate and retain individuals who are responsible for the attainment of our primary long-term performance goals. The plan provides for the grant of nonqualified stock options, incentive stock options for shares of common stock and restricted shares of common stock of the Bermuda Parents to participants of the plan selected by the boards of directors of the Bermuda Parents or a committee of each of their respective boards of directors or the administrator of the plan. Subject to certain adjustments, the maximum number of shares available to be granted under the plan is equal to 25% of the outstanding common shares of the Bermuda Parents. As of March 31, 2007, common shares or options to purchase common shares of the Bermuda Parents, representing indirectly 17.7% of our ordinary shares on a fully diluted basis, were issued and are outstanding under the plan.

All shares and options granted under the Bermuda Parents equity incentive plan vested after completion of our initial public offering in November 2006, except for options outstanding to three members of management. Unvested share options held by these three members of management represent indirectly 1% of our ordinary shares at the date of this offering. Even after vesting, pursuant to a shareholders agreement, all vested common shares and options to purchase common shares of the Bermuda Parents issued under the plan (other than common shares held by the former AeroTurbine owners and our directors) are subject to repurchase by the Bermuda Parents in the event the manager leaves his position without good cause or is terminated by us with cause, at a price equal to the lower of the cost or fair value until the termination of the two-year lock-up period described below. All common shares and options to purchase common shares of the Bermuda Parents are also subject to repurchase at fair value if the manager leaves for any other reason.

In connection with our initial public offering, the members of our senior management and directors who have received shares or options to purchase shares of the Bermuda Parents under the Bermuda Parents equity incentive plan agreed with Cerberus not to offer, sell, contract to sell, pledge, grant any option to purchase, make any short sale or otherwise dispose of any of our ordinary shares directly held by them or indirectly held through the Bermuda Parents. Subject to certain exceptions, the lock-up is for a period of two years from November 27, 2006. The lock-up restrictions operate to prevent certain members of our senior management and of our directors from actively trading in our shares. As shareholders and/or option holders in the Bermuda Parents, certain members of our senior management and of our directors are entitled to receive proceeds from the Bermuda Parents in connection with the indirect sales of our shares by the Bermuda Parents either through dividend distribution, repurchase or redemption of a portion of their shares or options in the Bermuda Parents.

In addition, the members of our senior management and directors holding common shares of the Bermuda Parents have the right, beginning November 27, 2008 and ending on November 27, 2011, to exchange Bermuda Parents common shares for our ordinary shares held by the selling shareholders in amounts representing their indirect interest in us held through the Bermuda Parents. To assist our management and directors in the resale of our ordinary shares to be held by them upon such exchange, we have agreed to file a registration statement and use commercially reasonable efforts to keep the registration statement continuously effective until all applicable ordinary shares have been sold or can be sold without registration under Rule 144(k) under the Securities Act. The common shares of the Bermuda Parents are also subject to Cerberus's drag along rights and the plan participant's tag along rights in the event of certain transactions involving the sales of the common shares of the Bermuda Parents. In addition, the Bermuda Parents have agreed with our senior management and members of our Board of Directors who are also shareholders and/or option holders of the Bermuda Parents, that, if the Bermuda Parents, (i) dividend or otherwise distribute any proceeds to their shareholders from the sale of our ordinary shares, they will proportionately distribute such proceeds to all holders of the Bermuda Parents' common shares, vested options and unvested options, assuming that all options were exercised and all unvested options were vested, after making adjustment for any option exercise price and (ii) redeem or repurchase their common shares with any proceeds from the sale of our ordinary shares, they will offer to proportionately redeem their common shares and/or vested options as if all options were exercised, after making adjustments for any option exercise price.

The indirect ownership in our ordinary shares represented by the grants of shares and options discussed above are reflected in the table under "—Share Ownership".

New Equity Incentive Plan

On October 31, 2006, we implemented an equity incentive plan that is designed to promote our interests by enabling us to attract, retain and motivate directors, employees, consultants and advisors and align their interests with ours. Our new equity incentive plan provides for the grant of nonqualified stock options, incentive stock options, stock appreciation rights, restricted stock, restricted stock units and other stock awards to participants of the plan selected by the Nomination and Compensation Committee of our Board of Directors. Subject to certain adjustments, the maximum number of shares available to be granted under the plan is equal to 5% of our outstanding shares. No shares have been issued and none are outstanding under the plan.

The terms and conditions of awards, including vesting provisions for stock options, are determined by the Nomination and Compensation Committee, except that, unless otherwise determined by the Nomination and Compensation Committee, or as set forth in an award agreement: (a) each stock option is granted for ten years from the date of grant, or, in the case of certain key employees, i.e., employees owning more than 10% of our ordinary shares, for five years from the date of grant; provided, however, no stock option period may extend beyond ten years from the date of grant; (b) the option price per share may not be less than 100% of the fair market value of the ordinary shares except that the option price per share for a key employee may not be less than 110% of the fair market value of the ordinary shares at the time the incentive stock option is granted; and (c) incentive stock options may only be issued to the extent the aggregate fair market value of shares with respect to the exercise of the incentive stock options for the first time by an option holder during any calendar year is $100,000 or less, with any additional stock options being treated as nonqualified stock options.

Netherlands Corporate Governance

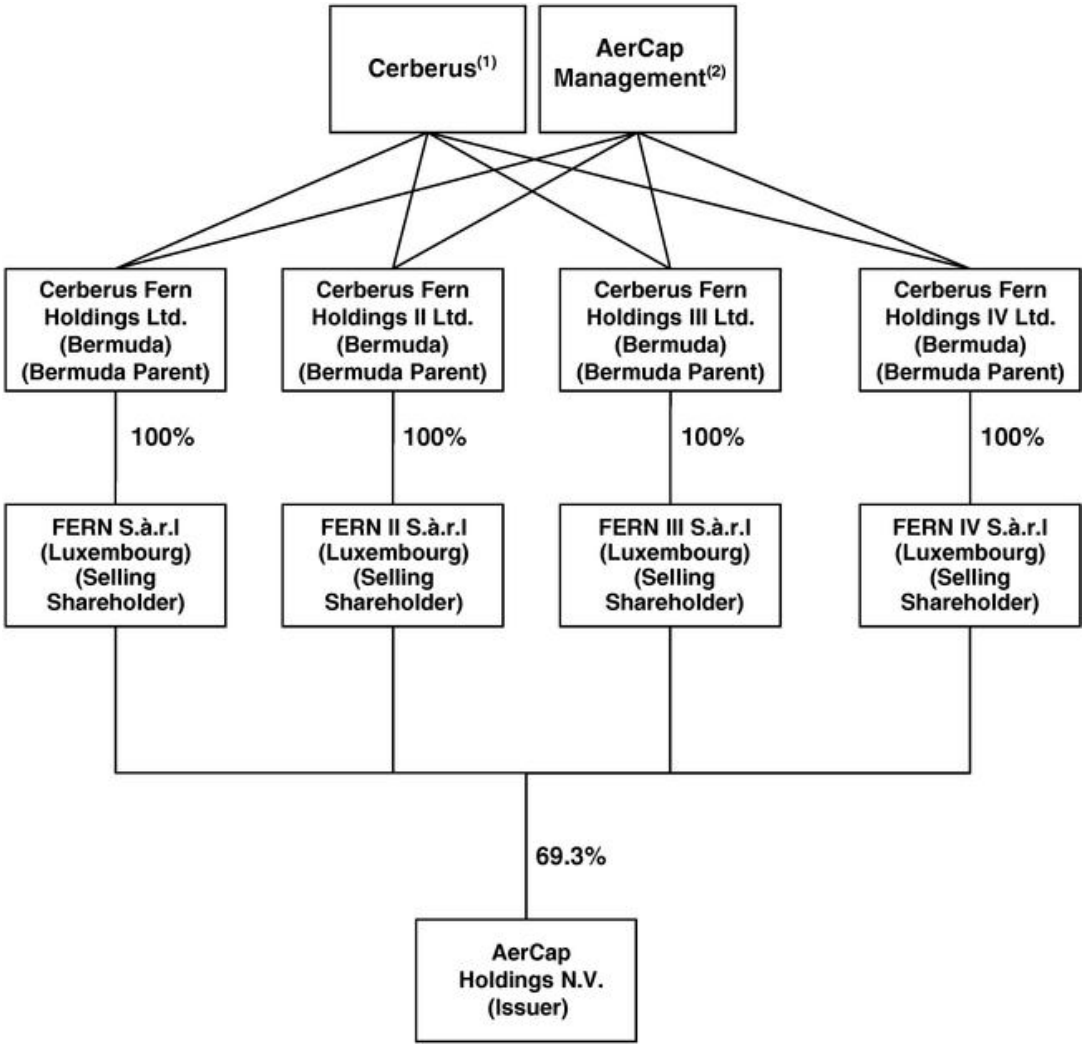
On December 9, 2003, a committee commissioned by The Netherlands government published a Netherlands Corporate Governance Code (the "Code"). The provisions of the Code took effect on January 1, 2005 and apply to annual reports for financial years starting on or after January 1, 2004. Netherlands companies whose ordinary shares are listed on a government recognized stock exchange

must discuss compliance with the Code in their annual report. The NYSE is a government recognized stock exchange.

At December 31, 2006, we were in compliance with the Netherlands Corporate Governance Code and we intend to continue complying with The Netherlands Corporate Governance Code. The Netherlands Corporate Governance Code contains recommended best practices. Netherlands' companies are not required to adopt the best practices, but, to the extent that they do not, they are required to disclose and explain why the practices have not been adopted in their annual report.

Comparison of NYSE and Netherlands Corporate Governance Standards

The NYSE requires that entities with shares listed on the exchange comply with its corporate governance standards. As a foreign private issuer, we are only required to comply with the NYSE rules relating to audit committees and periodic certifications to the NYSE. The NYSE also requires that we provide a summary of the significant differences between our corporate governance practices and those that would apply to a U.S. domestic issuer. We do not believe there are any significant differences between our corporate governance practices and those that would typically apply to a U.S. domestic issuer under the NYSE corporate governance rules.



(1) Cerberus beneficially owns 86.0% of the Bermuda Parents' common shares. The Bermuda Parents and the Selling Shareholders are holding companies that were formed by Cerberus for the purpose of acquiring us and do not own any other assets or conduct activities outside of their indirect investment in us.

(2) Certain members of our senior management and an employee of Cerberus own 14.0% of the Bermuda Parents' common shares. In addition, certain members of our senior management and of our Board of Directors also own options to purchase common shares of the Bermuda Parents. If all such options were exercised, Cerberus would beneficially own 82.8% of the common shares of the Bermuda Parents and certain members of our senior management, and of our Board of Directors and an employee of Cerberus would own the remaining 17.2%.

The following table sets forth information with respect to the beneficial ownership of our ordinary shares as of July 9, 2007, by:

- each selling shareholder;
- each person who is known by us to beneficially own 5% or more of our ordinary shares;
- each of our directors; and
- our executive officers named in "Management" and all of our current directors and executive officers as a group.

All ordinary share amounts and percentages reflect beneficial ownership determined pursuant to Rule 13d-3 under the Securities and Exchange Act of 1934, and assume, on a shareholder by shareholder basis, that each shareholder has converted all securities owned by such shareholder that are convertible into ordinary shares at the option of the holder currently or within 60 days of July 10, 2007, the closing date of this offering, and that no other shareholder so converts.

	Ordinary shares beneficially owned as of July 9, 2007(1)		Ordinary shares being offered(1)		Ordinary shares beneficially owned after the offering(1)	
	Number	Percent	Number	Percent	Number	Percent
Selling Shareholders						
Fern S.à r.l.(2)	14,734,239	17.3%	5,000,000	5.9%	9,734,239	11.4%
Fern II S.à r.l.(2)	14,734,239	17.3%	5,000,000	5.9%	9,734,239	11.4%
Fern III S.à r.l.(2)	14,734,239	17.3%	5,000,000	5.9%	9,734,239	11.4%
Fern IV S.à r.l.(2)	14,734,239	17.3%	5,000,000	5.9%	9,734,239	11.4%
5% or Greater Beneficial Share Owner:						
Stephen Feinberg(3)	48,809,179	57.4%	16,618,257	19.5%	32,190,922	38.0%
Directors:						
Ronald J. Bolger(4)	42,651	*	14,521	*	28,130	*
James N. Chapman(4)	85,044	*	28,956	*	56,088	*
Pieter Korteweg(4)	85,303	*	29,044	*	56,259	*
W.Brett Ingersoll(5)	—	—	—	—	—	—
Klaus W. Heinemann(4)(6)	1,804,773	2.1%	373,163	0.4%	1,431,610	1.7%
Marius J. L. Jonkhart(4)	42,651	*	14,521	*	28,130	*
Gerald P. Strong(5)	—	—	—	—	—	—
David J. Teitelbaum(5)	—	—	—	—	—	—
Robert G. Warden(5)	—	—	—	—	—	—
Executive Officers:						
Wouter M. (Erwin) den Dikken(4)(7)	278,509	*	94,824	*	183,685	*
Patrick den Elzen	222,345	*	75,703	*	146,642	*
Soeren E. Ferré	257,385	*	87,632	*	169,753	*
Nicolas Finazzo	1,898,197	2.2%	733,695	0.9%	1,164,502	1.4%
Keith A. Helming(4)(7)	297,654	*	101,344	*	196,310	*
Aengus Kelly(4)(7)	488,832	*	166,434	*	322,398	*
Heinrich H. Loechteken	1,841,523	2.2%	626,991	0.7%	1,214,532	1.4%
Anil Mehta	121,243	*	41,279	*	79,964	*
Robert B. Nichols	1,898,197	2.2%	733,695	0.9%	1,164,502	1.4%
Cole T. Reese	321,763	*	109,552	*	212,211	*
Reynoud K. Simonis	168,660	*	57,424	*	111,236	*
All our directors and executive officers as a group (21 persons)(8)	9,854,730	11.6%	3,288,778	4.0%	6,565,952	7.7%
Oliver Brown IV(9)	273,048	*	92,965	*	180,083	*

* Less than 1.0%.

(1) Except with respect to the selling shareholders, all shareholdings reflected in the table above reflect indirect beneficial ownership of AerCap Holdings N.V. held through ownership of common shares of the Bermuda Parents, including common shares pursuant to vested options. No options to purchase common shares of the Bermuda Parents will automatically vest on or within 60 days of the closing of this offering. Prior to this offering, the Bermuda Parents indirectly owned 69.3% of our ordinary shares. See "Use of Proceeds". For the purposes of this table, we have assumed that the overallotment option is not exercised by the underwriters.

(2) The selling shareholders are wholly owned by the Bermuda Parents and are our only shareholders selling ordinary shares in the offering. The ordinary shares held by the selling shareholders have the same rights as all other ordinary shares.

(3) Cerberus beneficially owns 82.8% of the common shares of the Bermuda Parents. All of these shares have the same rights as the other shares of the applicable class issued by the Bermuda Parents other than certain rights under a shareholders agreement. Stephen Feinberg exercises sole voting and investment authority over all of the Bermuda Parents' securities owned by Cerberus. Thus, pursuant to Rule 13d-3 under the Exchange Act, Stephen Feinberg is deemed to beneficially own 82.8% of the common shares of the Bermuda Parents. The address for Mr. Feinberg is c/o Cerberus Capital Management, L.P., 299 Park Avenue, New York, New York 10171.

(4) Includes vested options to purchase common shares of the Bermuda Parents representing the following number of our ordinary shares, on a fully diluted basis, Mr. Bolger 42,225 shares, Mr. Chapman 84,193 shares, Mr. den Dikken 32,537 shares, Mr. Heinemann 1,409,926 shares, Mr. Helming 294,675 shares, Mr. Kelly 65,074 shares, Mr. Korteweg 84,449 shares, Mr. Jonkhart 42,225 shares and Mr. Simonis 130,147 shares. No options will vest within 60 days of the closing of this offering.

(5) Mssrs. Ingersoll and Warden are each a Managing Director of Cerberus Capital Management, L.P. and Mssrs. Strong and Teitelbaum are Managing Directors of affiliates of Cerberus Capital Management, L.P.

(6) Mr. Heinemann is both a member of our Board of Directors and our Chief Executive Officer.

(7) Does not include options to purchase shares of the Bermuda Parents held by Mr. den Dikken, Mr. Kelly and Mr. Helming representing 48,805 shares, 97,610 shares, and 443,359 shares, respectively, of our ordinary shares that vest more than 60 days after the closing of this offering or upon the satisfaction of certain performance criteria.

(8) The address for all our officers and directors is c/o AerCap Holdings N.V., Evert van de Beekstraat 312, 1118 CX Schiphol Airport, The Netherlands.

(9) At the time of the common share grant, Mr. Brown was a consultant and not an AerCap employee. Subsequent to the grant, Mr. Brown became an employee of Cerberus. Mr. Brown's address is 228 Lorton Ave., Burlingame, CA 94010.

Based on the assumed public offering price of $32.25 per ordinary share, the last reported sale price of our ordinary shares on the NYSE on July 9, 2007, after deducting underwriter discounts, commissions and estimated expenses, assuming the underwriters do not exercise their overallotment option and assuming that the proceeds from the offering are used by the Bermuda Parents to proportionately redeem their common shares and vested options (except that (1) Mr. Finazzo and Mr. Nichols will each receive an additional $4.1 million to pay certain costs associated with the common shares they purchased in connection with the AeroTurbine acquisition and (2) Mr. Heinemann, our Chief Executive Officer, has elected to redeem all of his shares, but none of his vested options (resulting in an approximate 38% reduction of redemption proceeds to Mr. Heinemann, and the unused proceeds are being used to redeem pro rata additional shares and/or options owned by the other common share and option holders) funds and accounts affiliated with Cerberus would receive $511.5 million and certain members of our senior management and of our Board of Directors would receive $100.0 million from the proceeds of this offering (Mr. den Dikken: $2.9 million, Mr. den Elzen: $2.3 million, Mr. Ferré: $2.7 million, Mr. Finazzo: $22.6 million, Mr. Heinemann: $11.6 million, Mr. Kelly: $5.1 million, Mr. Loechteken: $19.3 million, Mr. Mehta: $1.3 million, Mr. Nichols: $22.6 million, Mr. Reese: $3.4 million, Mr. Simonis: $1.8 million, Mr. Helming: $2.4 million, Mr. Korteweg: $0.7 million, Mr. Chapman: $0.7 million, Mr. Jonkhart: $0.3 million and Mr. Bolger: $0.3 million). Based on the public offering price of $32.25 per ordinary share, the last reported sale price of our ordinary shares on the NYSE on July 9, 2007 after deducting underwriter discounts, commissions and estimated expenses, assuming that the underwriters exercise their overallotment option and that the proceeds from the offering are by the Bermuda Parents to proportionately redeem their common shares and vested options (except that (1) Mr. Finazzo and

Mr. Nichols will each receive an additional $4.1 million to pay certain costs associated with the common shares they purchased in connection with the AeroTurbine acquisition and (2) Mr. Heinemann, our Chief Executive Officer, has elected to redeem all of his shares, but none of his vested options (resulting in an approximate 46% reduction of redemption proceeds to Mr. Heinemann and the unused proceeds are being used to redeem additional common shares and/or options owned by the other share and option holders) funds and accounts affiliated with Cerberus would receive $591.4 million and certain members of our senior management and of our Board of Directors would receive $112.5 million from the proceeds of this offering (Mr. den Dikken: $3.4 million, Mr. den Elzen: $2.7 million, Mr. Ferré: $3.1 million, Mr. Finazzo: $25.5 million, Mr. Heinemann: $11.6 million, Mr. Kelly: $5.9 million, Mr. Loechteken: $22.3 million, Mr. Mehta: $1.5 million, Mr. Nichols: $25.5 million, Mr. Reese: $3.9 million, Mr. Simonis: $2.0 million, Mr. Helming: $2.8 million, Mr. Korteweg: $0.8 million, Mr. Chapman: $0.8 million, Mr. Jonkhart: $0.4 million and Mr. Bolger: $0.4 million).

As of March 31, 2007, none of our ordinary shares were held by record holders in The Netherlands.

DESCRIPTION OF ORDINARY SHARES

Set out below is a summary description of our ordinary shares and related material provisions of our articles of association and of Book 2 of The Netherlands Civil Code (*Boek 2 van het Burgerlijk Wetboek*), which governs the rights of holders of our ordinary shares.

Ordinary Share Capital

As of March 31, 2007, we had 200.0 million authorized ordinary shares, par value €1.00 per share, of which 85,036,957 were issued and outstanding.

Pursuant to our articles of association, our ordinary shares may only be held in registered form. All of our ordinary shares are registered in a register kept by us or on our behalf by our transfer agent. Transfer of registered shares requires a written deed of transfer and the acknowledgment by the Company. Our ordinary shares are freely transferable.

Issuance of Ordinary Shares

A general meeting of shareholders can approve the issuance of ordinary shares or rights to subscribe for ordinary shares, but only in response to a proposal for such issuance submitted by the Board of Directors specifying the price and further terms and conditions. In the alternative, the shareholders may designate to our Board of Directors' authority to approve the issuance and price of issue of ordinary shares. The delegation may be for any period of up to five years and must specify the maximum number of ordinary shares that may be issued.

Prior to this offering, pursuant to our articles of association, our shareholders delegated to our Board of Directors for a period of five years, the power to issue and/or grant rights to subscribe for ordinary shares up to the maximum amount of our authorized share capital which, as of the date of this prospectus was 200.0 million ordinary shares.

Preemptive Rights

Unless limited or excluded by our shareholders or Board of Directors as described below, holders of ordinary shares have a pro rata preemptive right to subscribe for any ordinary shares that we issue, except for ordinary shares issued for non-cash consideration or ordinary shares issued to our employees.

Shareholders may limit or exclude preemptive rights. Shareholders may also delegate the power to limit or exclude preemptive rights to our Board of Directors with respect to ordinary shares, the issuance of which has been authorized by our shareholders. Prior to this offering, pursuant to our articles of association, the power to limit or exclude preemptive rights has been delegated to our Board of Directors for a period of five years.

Repurchase of Our Ordinary Shares

We may acquire our ordinary shares, subject to certain provisions of the laws of The Netherlands and of our articles of association, if the following conditions are met:

- a general meeting of shareholders has authorized our Board of Directors to acquire the ordinary shares, which authorization may be valid for no more than 18 months;
- our equity, after deduction of the price of acquisition, is not less than the sum of the paid-in and called-up portion of the share capital and the reserves that the laws of The Netherlands or our articles of association require us to maintain; and

- we would not hold after such purchase, or hold as pledgee, ordinary shares with an aggregate par value exceeding one-tenth of our issued share capital.

Our ordinary shares have no mandatory redemption or sinking fund provisions.

Capital Reduction; Cancellation

Shareholders may reduce our issued share capital either by cancelling ordinary shares held in treasury or by amending our articles of association to reduce the par value of the ordinary shares. A resolution to reduce our capital requires the approval of at least an absolute majority of the votes cast and, if less than one half of the share capital is represented at a meeting at which a vote is taken, the approval of at least two-thirds of the votes cast.

A partial repayment of ordinary shares under the laws of The Netherlands is only allowed upon the adoption of a resolution to reduce the par value of the ordinary shares. The repayment must be made *pro rata* on all ordinary shares. The *pro rata* requirement may be waived with the consent of all affected shareholders. In some circumstances, our creditors may be able to prevent a resolution to reduce our share capital from taking effect.

Remuneration of Our Board of Directors

The general policy for the remuneration of our Board of Directors will be determined by a general shareholders meeting. The remuneration of directors will be set by our Board of Directors in accordance with our remuneration policy and the recommendation of the Nomination and Compensation Committee. With regard to arrangements concerning remuneration in the form of ordinary shares or share options, the Board of Directors must submit a proposal to the shareholders for approval. This proposal must, at a minimum, state the number of ordinary shares or share options that may be granted to directors and the criteria that apply to the granting of the ordinary shares or share options or the alteration of such arrangements.

General Meetings of Shareholders

At least one general meeting of shareholders must be held every year. The rights of shareholders may only be changed by amending our articles of association. A resolution to amend our articles of association is valid if the Board of Directors makes a proposal amending the articles of association and such proposal is adopted by a simple majority of votes cast.

The following resolutions require a two thirds majority vote if less than half of the issued share capital is present or represented at the general meeting of shareholders:

- capital reduction;
- exclusion or restriction of pre emptive rights, or designation of the Board of Directors as the authorized corporate body for this purpose;
- merger or demerger.

If a proposal to amend the articles of association will be considered at the meeting, we will make available a copy of that proposal, in which the proposed amendments will be stated verbatim.

An agreement of the Company to enter into a (i) statutory merger whereby the Company is the acquiring entity, or (ii) a legal demerger, with certain limited exceptions, must be approved by the shareholders.

Extraordinary Meetings of Shareholders

Extraordinary meetings of shareholders may be called for any purpose by the Board of Directors and must be called by the Board of Directors if one or more shareholders representing at least one-tenth of our ordinary shares so requests or if ordered by a court. Any shareholder request must include a summary in writing of the items to be addressed at the extraordinary meeting. Extraordinary meetings may be called in the same way as general meetings.

Voting Rights

Each ordinary share represents the right to cast one vote at a general meeting of shareholders. All resolutions must be passed with an absolute majority of the votes validly cast except as set forth above. We are not allowed to exercise voting rights for ordinary shares we hold directly or indirectly.

Any major change in the identity or character of the Company or its business must be approved by our shareholders, including:

- the sale or transfer of substantially all our business or assets;
- the commencement or termination of certain major joint ventures and our participation as a general partner with full liability in a limited partnership (*commanditaire vennootschap*) or general partnership (*vennootschap onder firma*); and
- the acquisition or disposal by us of a participating interest in a company's share capital, the value of which amounts to at least one third of the value of our assets.

Adoption of Annual Accounts and Discharge of Management Liability

Each year, our Board of Directors must prepare annual accounts within five months after the end of our financial year, unless the shareholders have approved an extension of this period for up to six additional months due to certain special circumstances recognized as such under the laws of The Netherlands. The annual accounts must be made available for inspection by shareholders at our offices within the same period. The annual accounts must be accompanied by an auditor's certificate, an annual report and certain other mandatory information. The shareholders shall appoint an accountant as referred to in Article 393 of Book 2 of The Netherlands Civil Code, to audit the annual accounts. The annual accounts are adopted by our shareholders.

The adoption of the annual accounts by our shareholders does not release the members of our Board of Directors from liability for acts reflected in those documents. Any such release from liability requires a separate shareholders' resolution.

Dividends

Dividends may in principle only be paid out of profit as shown in the adopted annual accounts. We will only have power to make distributions to shareholders and other persons entitled to distributable profits to the extent our equity exceeds the sum of the paid and called up portion of the ordinary share capital and the reserves that must be maintained in accordance with provisions of the laws of The Netherlands or our articles of association. The profits must first be used to set up and maintain reserves required by law and must then be set off against certain financial losses. We may not make any distribution of profits on ordinary shares that we hold. Our Board of Directors determines whether and how much of the remaining profit they will reserve, the manner and date of such distribution and notifies shareholders.

All calculations to determine the amounts available for dividends will be based on our annual accounts, which may be different from our consolidated financial statements, such as those included in this prospectus. Our statutory accounts have to date been prepared, and will continue to be prepared,

under Netherlands GAAP and are deposited with the Commercial Register in Amsterdam, The Netherlands. Our net income for the 12 months ended December 31, 2006 and our equity as of December 31, 2006 as set forth in our annual accounts were $106.9 million and $748.8 million, respectively. We are dependent on dividends or other advances from our operating subsidiaries to fund any dividends we may pay on our ordinary shares.

Liquidation Rights

If we are dissolved or wound up, the assets remaining after payment of our liabilities will be first applied to pay back the amounts paid up on the ordinary shares. Any remaining assets will be distributed among our shareholders, in proportion to the par value of their shareholdings. All distributions referred to in this paragraph shall be made in accordance with the relevant provisions of the laws of The Netherlands.

Limitations on Non-Residents and Exchange Controls

There are no limits under the laws of The Netherlands or in our articles of association on non-residents of The Netherlands holding or voting our ordinary shares. Currently, there are no exchange controls under the laws of The Netherlands on the conduct of our operations or affecting the remittance of dividends.

Disclosure of Insider Transactions

Members of our Board of Directors and other insiders within the meaning of Section 5:60 of the Netherlands Financial Supervision Act (*Wet op het Financieel toezicht*) must report to The Netherlands Authority for the Financial Markets if they carry out or cause to be carried out, for their own account, a transaction in our ordinary shares or in securities whose value is at least in part determined by the value of our ordinary shares.

Netherlands Squeeze-out Proceedings

If a person or a company or two or more group companies within the meaning of Article 2:24b of The Netherlands Civil Code acting in concert holds in total 95% of a Netherlands public limited liability company's issued share capital by par value for their own account, the laws of The Netherlands permit that person or company or those group companies acting in concert to acquire the remaining ordinary shares in the company by initiating squeeze out proceedings against the holders of the remaining shares. The price to be paid for such shares will be determined by the Enterprise Chamber of the Amsterdam Court of Appeal.

Choice of Law and Exclusive Jurisdiction

Under our articles of association, to the extent allowed by law, the rights and obligations among or between us, any of our current or former directors, officers and employees and any current or former shareholder shall be governed exclusively by the laws of The Netherlands, unless such rights or obligations do not relate to or arise out of the capacities above. Any lawsuit or other legal proceeding by and between those persons relating to or arising out of their capacities listed above shall be exclusively submitted to the courts of The Netherlands. All of our current and former directors and officers must agree in connection with any such lawsuit or other legal proceeding to submit to the exclusive jurisdiction of The Netherlands courts, waive objections to such lawsuit or other legal proceeding being brought in such courts, agree that a judgment in any such legal action brought in The Netherlands courts is binding upon them and may be enforced in any other jurisdiction, and elect domicile at our offices in Amsterdam, The Netherlands for the service of any document relating to such lawsuit of other legal proceedings.

Registrar and Transfer Agent

A register of holders of the ordinary shares will be maintained by American Stock Transfer & Trust Company in the United States who will also serve as the transfer agent. The telephone number of American Stock Transfer & Trust Company is 1 800 937 5449.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Related Party Transactions

The following is a summary of material provisions of various transactions we have entered into with our executive officers, directors or 5% or greater shareholders and their affiliates since January 1, 2004. We believe the terms and conditions in these agreements are reasonable and customary for transactions of this type.

Related Party Transactions with Current Affiliates

AerCo is an aircraft securitization vehicle from which we hold all of the most junior class of subordinated notes and some notes immediately senior to those junior notes. We do not recognize value for the AerCo notes which we still hold on our consolidated balance sheets. Through March 2003 we consolidated AerCo, but we deconsolidated the vehicle in accordance with FIN 46 at that time. Subsequent to the deconsolidation of AerCo, we have received interest from AerCo on its D note investment of $8.5 million, $1.7 million, $0.8 million, $1.7 million and $0.4 million for the year ended December 31, 2004, the six months ended June 30, 2005, the period from June 27, 2005 to December 31, 2005, for the year ended December 31, 2006 and the three months ended March 31, 2007, respectively. In addition, we provide a variety of management services to AerCo for which we received fees of $5.4 million, $2.4 million, $2.4 million, $5.2 million and $1.1 million for the year ended December 31, 2004, the six months ended June 30, 2005, the period from June 27, 2005 to December 31, 2005, the year ended December 31, 2006 and the three months ended March 31, 2007, respectively.

We have made payments to Cerberus and third parties on behalf of Cerberus totaling approximately $1.2 million since the 2005 Acquisition through March 31, 2007. The payments to Cerberus represent reimbursement of consulting fees paid by Cerberus to individuals who have assisted us in the evaluation of portfolio or company purchases, including our AeroTurbine Acquisition. In addition, this amount also includes approximately $0.2 million of reimbursements for consulting services incurred by Cerberus in connection with Cerberus's evaluation of the 2005 Acquisition. We are currently establishing agreements directly with the consultants who we expect to retain for similar services instead of working with them through Cerberus. If we accept services from individuals employed by or contracted through Cerberus in the future, we expect these arrangements to reflect arms' length negotiations that will not be more favorable than the terms we could negotiate with an independent party. Payments to third parties on behalf of Cerberus consist of payments to advisors engaged by Cerberus in connection with the 2005 Acquisition.

We lease two A320-200 aircraft to Air Canada. Both leases expire in 2014. Cerberus indirectly controls 11% of the equity of Air Canada and has a majority equity interest in AerCap Holdings N.V.

In February 2006, we entered into a guarantee arrangement with DvB Bank AG and Aozora Bank Limited, an entity that is majority-owned by Cerberus. In addition, Pieter Korteweg, the Chairman of our Board of Directors, and Marius Jacques Leonard Jonkhart, a non-executive director, are also on the board of directors of Aozora Bank. The guarantee supports certain of our obligations to a Japanese operating lessor of up to $13.8 million in connection with a JOL financing. The Japanese operating lessor required the guarantee as additional credit support following the 2005 Acquisition. We leased the A320 aircraft from the Japanese operating lessor under a lease and then subleased the aircraft to an aircraft operator. In the event we fail to make certain payments related to JOL financing, DvB Bank will make the payment on our behalf but will be reimbursed by Aozora Bank for any payments made. We have agreed to indemnify Aozora Bank for any payments it makes under the guarantee arrangement. The guarantee expires in February 2008. Under the terms of the guarantee arrangement, we are required to provide cash collateral to Aozora Bank if we breach certain financial covenants. Currently we are not in breach of any of these covenants and have not provided any cash collateral. In

connection with the guarantee arrangement, we pay Aozora Bank a guarantee fee of 4.1% per annum of the amount guaranteed and have provided Aozora Bank with a second priority share pledge over the shares of the entity that entered into the financing from the Japanese operating lessor.

In April 2006, we entered into a senior secured revolving credit facility in the aggregate amount of up to $1.0 billion with UBS Real Estate Securities Inc., UBS Securities LLC, Deutsche Bank Trust Company Americas and certain other financial institutions. In May 2007, we amended and restructured the terms of the revolving credit facility. Aozora Bank is a syndicate member under the facility and participated in up to $50.0 million of the Class A loans and up to $25.0 million of the Class B loans issued thereunder, representing 7.0% of the Class A loans and 13.9% of the Class B loans. As of March 31, 2007, we had drawn and there remained outstanding $283.8 million of the class A loans and $53.6 million of the class B loans. In connection with the refinancing of Aircraft Lease Securitisation, we repaid $301.6 million and $64.0 million of the class A and class B loans, respectively.

We lease our office and warehouse located in Miami, Florida from an entity owned by the Chief Executive Officer and Chief Operating Officer of AeroTurbine. The lease for this facility expires on December 31, 2013. The lease was amended in March 2006 to adjust the rent to current market rates commencing on January 2007.

In 2004, we entered into leases for six A320 aircraft with WizzAir Hungary Limited. As part of a subsequent restructuring of amounts outstanding, WizzAir agreed to issue us shares of their equity representing 17.4% of their equity as of November 2004. In 2005, we agreed with WizzAir's other shareholders and creditors to enter into a Shareholders' and Noteholders' Agreement under which we agreed to convert trade receivables into an unsecured, non-amortizing €7.8 million note, convertible into approximately 26% of WizzAir's outstanding shares on a fully diluted basis as of February 2005). Under the terms of the Shareholders' and Noteholders' Agreement we were able to appoint a director of WizzAir between February 2005 and June 2005. The convertible notes were carried on our balance sheet at December 31, 2005 at $1.8 million. We sold all of our WizzAir convertible notes in September 2006.

In January 2007, we entered into a letter of intent for the sale of two A320 aircraft to our joint venture, AerDragon. In February 2007, one of the aircraft that was subject to a lease to Juneyao Airlines was sold to AerDragon. The sale of the second A320, which is subject to a lease to Bangkok Airlines is expected to be finalized in July 2007. The sale prices for these aircraft reflect arms'-length negotiations that are not more favorable than the terms that we would be able to achieve from an independent third party.

From time to time, we negotiate aircraft and engine purchase and sale transactions with affiliates of Cerberus, and may enter into such transactions in the future. We expect the terms and conditions of such transactions to be reasonable and customary for the type of transaction.

ORDINARY SHARES ELIGIBLE FOR FUTURE SALE

General

Upon completion of this offering, we will have 85,036,957 ordinary shares issued and outstanding. All of the ordinary shares sold in this offering will be freely tradable without restriction or further registration under the Securities Act unless such ordinary shares are purchased by "affiliates" as that term is defined in Rule 144 under the Securities Act. Subject to certain contractual restrictions, holders of restricted ordinary shares will be entitled to sell those ordinary shares in the public securities markets if they qualify for an exemption from registration under Rule 144 or any other applicable exemption under the Securities Act. Subject to the lock-up agreements described below and the provisions of Rules 144 and 144(k), additional ordinary shares will be available for sale as set forth below.

Lock-Up Agreements

Lock Up with the Underwriters

We and our executive officers, directors and shareholders have agreed with the underwriters, subject to certain exceptions, not to (i) offer, pledge, announce the intention to sell, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise transfer, dispose of or hedge, directly or indirectly, our ordinary shares (including, without limitation, ordinary shares which may be deemed to be beneficially owned by such executive officers, directors, shareholders and participants in accordance with the rules and regulations of the SEC and securities which may be issued upon exercise of a share option or warrant) or any securities convertible into or exercisable or exchangeable for our ordinary shares or (ii) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of our ordinary shares, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of ordinary shares or such other securities, in cash or otherwise during the period from the date of this prospectus continuing through the date 90 days after the date of this prospectus, except with the prior written consent of the representatives.

The 90-day restricted period described in the preceding paragraph will be automatically extended if (i) during the last 17 days of the 90-day restricted period we issue an earnings release or announce material news or a material event relating to us occurs or (ii) prior to the expiration of the 90-day restricted period, we announce that we will release earnings results during the 16-day period beginning on the last day of the 90-day restricted period, in which case the restrictions described in the preceding paragraph will continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the announcement of the material news or material event.

Management Lock-Up Agreements with Cerberus

In connection with our initial public offering in November 2006, the members of our management and board of directors who have received shares or options to purchase shares of the Bermuda Parents under the Bermuda Parents Equity incentive plan agreed with Cerberus not to offer, sell, contract to sell, pledge, grant any option to purchase, make any short sale or otherwise dispose of any of our ordinary shares directly held by them or indirectly held through the Bermuda Parents. Subject to certain exceptions, the lock-up is for a period of two years from November 27, 2006. The lock-up restrictions operate to prevent the members of our senior management and directors from actively trading in our shares. As shareholders in the Bermuda Parents, certain members of our senior management and of our board of directors receive proceeds from the Bermuda Parents in connection with the indirect sales of our shares by the Bermuda Parents either through dividends, distributions or the redemption or repurchase of a portion of their shares and/or options in the Bermuda Parents. In addition, certain members of our senior management and of our Board of Directors and an employee

of Cerberus who hold common shares of the Bermuda Parents have the right, beginning November 27, 2008 and ending on November 27, 2011, to exchange Bermuda Parents common shares for our ordinary shares held by the selling shareholders in amounts representing their indirect interest in us held through the Bermuda Parents. To assist our management and directors in the resale of our ordinary shares held by them upon exchange, we have agreed to file a registration statement and use commercially reasonable efforts to keep the registration statement continuously effective to ensure that it is available for resales of our ordinary shares held by our management and directors.

Rule 144

In general, Rule 144 of the Securities Act, as currently in effect, provides that a person may sell within any three month period a number of ordinary shares that does not exceed the greater of:

- 1% of the total number of ordinary shares then issued and outstanding, which will equal 0.9 million ordinary shares immediately after this offering; or
- the average weekly trading volume of the ordinary shares on the New York Stock Exchange during the four calendar weeks preceding the filing of notice on Form 144 with respect to the sale

subject to a requirement that any "restricted" ordinary shares have been beneficially owned for at least one year, including the holding period of any prior owner who was not an affiliate.

Sales under Rule 144 are also subject to manner of sale provisions and notice requirements and to the availability of current public information about us. An "affiliate" is a person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with an issuer.

Rule 144(k)

Under Rule 144(k), a person (or persons whose ordinary shares are aggregated) who is not deemed to have been our affiliate at any time during the three months preceding a sale, and who has beneficially owned the ordinary shares proposed to be sold for at least two years (including the holding period of any prior owner other than an affiliate), is entitled to sell these ordinary shares under Rule 144(k) without complying with the manner of sale, public information, volume limitation or notice provisions of Rule 144.

TAX CONSIDERATIONS

Netherlands Tax Considerations

The following is a summary of Netherlands tax consequences of the holding and disposal of ordinary shares. This summary does not purport to describe all possible tax considerations or consequences that may be relevant to a holder or prospective holder of ordinary shares. Holders should consult with their tax advisors with regards to the tax consequences of investing in the ordinary shares in their particular circumstances. The discussion below is included for general information purposes only.

Please note that this summary does not describe the tax considerations for holders of ordinary shares if such holders, and in the case of individuals, his/her partner or certain of their relatives by blood or marriage in the direct line (including foster children), have a substantial interest or deemed substantial interest in us as defined in The Netherlands Income Tax Act 2001. Generally speaking, a holder of securities in a company is considered to hold a substantial interest in such company, if such holder alone or, in the case of individuals, together with his/her partner (statutorily defined term), directly or indirectly, holds (i) an interest of 5% or more of the total issued and outstanding capital of that company or of 5% or more of the issued and outstanding capital of a certain class of shares of that company; or (ii) holds rights to acquire, directly or indirectly, such interest; or (iii) holds certain profit sharing rights in that company that relate to 5% or more of the company's annual profits and/or to 5% or more of the company's liquidation proceeds. A deemed substantial interest arises if a substantial interest (or part thereof) in a company has been disposed of, or is deemed to have been disposed of, on a non-recognition basis. Furthermore, this summary does not describe the tax considerations for holders of ordinary shares if the holder has an interest in us that qualifies as a "participation" for the purposes of The Netherlands corporate Income Tax Act 1969.

Except as otherwise indicated, this summary only addresses Netherlands national tax legislation and regulations, as in effect on the date hereof and as interpreted in published case law on the date hereof and is subject to change after such date, including changes that could have retroactive effect.

Withholding Tax

Dividends distributed by us generally are subject to Netherlands dividend withholding tax at a rate of 25%. The expression "dividends distributed" includes, among others:

- distributions in cash or in kind;
- liquidation proceeds, proceeds of redemption of ordinary shares, or proceeds of the repurchase of ordinary shares by us or one of our subsidiaries or other affiliated entities to the extent such proceeds exceed the average paid-in capital of those ordinary shares as recognized for the purposes of Netherlands dividend withholding tax;
- an amount equal to the par value of ordinary shares issued or an increase of the par value of ordinary shares, as the case may be, to the extent that it does not appear that a contribution, recognized for the purposes of Netherlands dividend withholding tax, has been made or will be made; and
- partial repayment of the paid-in capital, recognized for the purposes of Netherlands dividend withholding tax, if and to the extent that we have net profits ("*zuivere winst*"), unless the general meeting of our shareholders has resolved in advance to make such repayment and the par value of the ordinary shares concerned has been reduced by an equal amount by way of an amendment of our articles of association.

If a holder of ordinary shares is resident in a country other than The Netherlands and if a double taxation convention is in effect between The Netherlands and that country, such holder of ordinary

shares may, depending on the terms of that double taxation convention, be eligible for a full or partial exemption from, or refund of, Netherlands dividend withholding tax.

A recipient of a dividend that is a company, a qualifying tax-exempt pension trust or a qualifying tax-exempt organization that satisfies the conditions of the Convention between Netherlands and the United States for the avoidance of double taxation of December 18, 1992 may be entitled to a reduced rate of dividend withholding tax. These conditions include but are not limited to being a resident of the United States for the purposes of the Convention, being the beneficial owner of such dividend and being qualified under Article 26 of the Convention (the "Limitations on Benefits Article"). To claim any reduced rate under the above Convention (reduction and refund procedure), the recipient must file a request with the Netherlands tax authorities for which no specific form is available. Qualifying tax-exempt pension trusts must file form IB 906 USA for the application of relief at source from or refund of dividend withholding tax. Qualifying tax-exempt rganizations are not entitled to claim tax treaty benefits at source, and instead must file claims for refund by filing form IB 95 USA.

Individuals and corporate legal entities who are resident or deemed to be resident in The Netherlands for Netherlands tax purposes ("Netherlands resident individuals" and "Netherlands resident entities" as the case may be), including individuals who have made an election for the application of the rules of The Netherlands Income Tax Act 2001 as they apply to residents of The Netherlands, can generally credit The Netherlands dividend withholding tax against their income tax or corporate income tax liability. The same generally applies to holders of ordinary shares that are neither resident nor deemed to be resident of The Netherlands if the ordinary shares are attributable to a Netherlands permanent establishment of such non-resident holder.

Pursuant to legislation to counteract "dividend stripping", a reduction, exemption, credit or refund of Netherlands dividend withholding tax is denied if the recipient of the dividend is not the beneficial owner. This legislation generally targets situations in which a shareholder retains its economic interest in shares but reduces the withholding tax cost on dividends by a transaction with another party. For application of these rules it is not a requirement that the recipient of the dividends is aware that a dividend stripping transaction took place. The Netherlands state Secretary of Finance takes the position that the definition of beneficial ownership introduced by this legislation will also be applied in the context of a double taxation convention.

Taxes on Income and Capital Gains

Non-residents of The Netherlands. A holder of ordinary shares will not be subject to Netherlands taxes on income or on capital gains in respect of any payment under the ordinary shares or any gain realised on the disposal or deemed disposal of the ordinary shares, provided that:

(i) such holder is neither a resident nor deemed to be resident in The Netherlands for Netherlands tax purposes and, if such holder is an individual, such holder has not made an election for the application of the rules of The Netherlands Income Tax Act 2001 as they apply to residents of The Netherlands;

(ii) such holder does not have an interest in an enterprise or a deemed enterprise which, in whole or in part, is either effectively managed in The Netherlands or is carried on through a permanent establishment, a deemed permanent establishment (statutorily defined term) or a permanent representative in The Netherlands and to which enterprise or part of an enterprise the ordinary shares are attributable; and

(iii) in the event such holder is an individual, such holder does not carry out any activities in The Netherlands with respect to the ordinary shares that exceed ordinary active asset management ("normaal vermogensbeheer") and does not derive benefits from the ordinary shares that are (otherwise) taxable as benefits from other activities in The Netherlands ("resultaat uit overige werkzaamheden").

Netherlands resident individuals. If a holder of ordinary shares is a Netherlands resident individual (including the non-resident individual holder who has made an election for the application of the rules of The Netherlands Income Tax Act 2001 as they apply to residents of The Netherlands), any benefit derived or deemed to be derived from the ordinary shares is taxable at the progressive income tax rates (with a maximum of 52%), if:

(a) the ordinary shares are attributable to an enterprise from which The Netherlands resident individual derives a share of the profit, whether as an entrepreneur or as a person who has a co-entitlement to the net worth of such enterprise, without being an entrepreneur or a shareholder, as defined in The Netherlands Income Tax Act 2001; or

(b) the holder of the ordinary shares is considered to perform activities with respect to the ordinary shares that go beyond ordinary active asset management ("*normaal vermogensbeheer*") or derives benefits from the ordinary shares that are (otherwise) taxable as benefits from other activities ("*resultaat uit overige werkzaamheden*").

If the above mentioned conditions (a) and (b) do not apply to an individual holder of ordinary shares, the ordinary shares are recognized as investment assets and included as such in such holder's net investment asset base ("*rendementsgrondslag*"). Such holder will be taxed annually on a deemed income of 4% of the aggregate amount of his or her net investment assets for the year at an income tax rate of 30%. The aggregate amount of the net investment assets for the year is the average of the fair market value of the investment assets less the allowable liabilities at the beginning of that year and the fair market value of the investment assets less the allowable liabilities at the end of that year. A tax free allowance may be available. Actual benefits derived from the ordinary shares are as such not subject to Netherlands income tax.

Netherlands resident entities. Any benefit derived or deemed to be derived from the ordinary shares held by Netherlands resident entities, including any capital gains realised on the disposal thereof, will generally be subject to Netherlands corporate income tax at a rate of 25.5% (a corporate income tax rate of 20.0% applies with respect to taxable profits up to €25,000 and 23.5% over the following €35,000, the first two brackets for 2007).

A Netherlands qualifying pension fund is, in principle, not subject to Netherlands corporate income tax. A qualifying Netherlands resident investment fund ("*fiscale beleggingsinstelling*") is subject to Netherlands corporate income tax at a special rate of 0%.

Gift, Estate and Inheritance Taxes

Non-residents of The Netherlands. No Netherlands gift, estate or inheritance taxes will arise on the transfer of the ordinary shares by way of a gift by, or on the death of, a holder of ordinary shares who is neither resident nor deemed to be resident in The Netherlands, unless:

(i) such holder at the time of the gift has or at the time of his /her death had an enterprise or an interest in an enterprise that, in whole or in part, is or was either effectively managed in The Netherlands or carried out through a permanent establishment or a permanent representative in The Netherlands and to which enterprise or part of an enterprise the ordinary shares are or were attributable; or

(ii) in the case of a gift of the ordinary shares by an individual who at the time of the gift was neither resident nor deemed to be resident in The Netherlands, such individual dies within 180 days after the date of the gift, while being resident or deemed to be resident in The Netherlands.

Residents of The Netherlands. Gift, estate and inheritance taxes will arise in The Netherlands with respect to a transfer of the ordinary shares by way of a gift by, or, on the death of, a holder of ordinary

shares who is resident or deemed to be resident in The Netherlands at the time of the gift or his/her death.

For purposes of Netherlands gift, estate and inheritance taxes, amongst others, a person that holds The Netherlands nationality will be deemed to be resident in The Netherlands if such person has been resident in The Netherlands at any time during the ten years preceding the date of the gift or the death of this person. Additionally, for purposes of Netherlands gift tax, among others, a person not holding the Netherlands nationality will be deemed to be resident in The Netherlands if such person has been resident in The Netherlands at any time during the 12 months preceding the date of the gift. Applicable tax treaties may override deemed residency.

Other Taxes and Duties

No Netherlands registration tax, customs duty, stamp duty or any other similar documentary tax or duty will be payable by a holder of ordinary shares in connection with holding the ordinary shares or the disposal of the ordinary shares.

U.S. Tax Considerations

Subject to the limitations and qualifications stated herein, this discussion sets forth the material U.S. federal income tax consequences of the purchase, ownership and disposition of the ordinary shares. The discussion of the holders' tax consequences addresses only those persons that acquire their ordinary shares in this offering and that hold those ordinary shares as capital assets and does not address the tax consequences to any special class of holder, including without limitation, holders of (directly, indirectly or constructively) 5% or more of the ordinary shares, dealers in securities or currencies, banks, tax-exempt organizations, life insurance companies, financial institutions, broker dealers, regulated investment companies, real estate investment trusts, traders in securities that elect the mark-to-market method of accounting for their securities holdings, persons that hold securities that are a hedge or that are hedged against currency or interest rate risks or that are part of a straddle, conversion or "integrated" transaction, certain U.S. expatriates, partnerships or other entities classified as partnerships for U.S. federal income tax purposes and U.S. Holders whose functional currency for U.S. federal income tax purposes is not the U.S. dollar. This discussion does not address the effect of the U.S. federal alternative minimum tax or any state, local or foreign tax laws on a holder of ordinary shares. The discussion is based on the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, all as currently in effect and all subject to change at any time, possibly with retroactive effect.

For purposes of this discussion, a "U.S. Holder" means a beneficial owner of ordinary shares that is for U.S. federal income tax purposes an individual citizen or resident of the U.S.; a U.S. corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States or any political subdivision thereof; a trust if the trust (i) is subject to the primary supervision of a U.S. court and one or more U.S. persons are able to control all substantial decisions of the trust or (ii) has elected to be treated as a U.S. person; or an estate the income of which is subject to U.S. federal income tax regardless of its source. A "non-U.S. Holder" is a beneficial owner of our ordinary shares that is not a U.S. Holder.

Cash Dividends and Other Distributions

Subject to the passive foreign investment company ("PFIC") rules discussed below, a U.S. Holder of ordinary shares generally will be required to treat distributions received with respect to such ordinary shares (including any amounts withheld pursuant to Netherlands tax law) as dividend income to the extent of AerCap's current or accumulated earnings and profits (computed using U.S. federal income tax principles), with the excess treated as a non-taxable return of capital to the extent of the holder's adjusted tax basis in the ordinary shares and, thereafter, as capital gain. Dividends paid to a

U.S. Holder that is a corporation are not eligible for the dividends received deduction available to corporations. Current tax law provides for a maximum 15% U.S. tax rate on the dividend income of an individual U.S. Holder with respect to dividends paid by a domestic corporation or "qualified foreign corporation" if certain holding period requirements are met. A qualified foreign corporation generally includes a foreign corporation (other than a PFIC) if (i) its ordinary shares are readily tradable on an established securities market in the United States or (ii) it is eligible for benefits under a comprehensive U.S. income tax treaty. The ordinary shares are traded on the New York Stock Exchange. As a result, assuming we are not treated as a PFIC, we should be treated as a qualified foreign corporation with respect to dividends paid on our ordinary shares and, therefore, dividends paid to an individual U.S. Holder with respect to ordinary shares for which the requisite holding period is satisfied should be taxed at a maximum federal tax rate of 15%. The maximum 15% federal tax rate is scheduled to expire for taxable years commencing after December 31, 2010.

Distributions to U.S. Holders of additional ordinary shares or preemptive rights with respect to ordinary shares that are made as part of a pro rata distribution to all of our shareholders generally will not be subject to U.S. federal income tax, but in other circumstances may constitute a taxable dividend.

Distributions paid in a currency other than U.S. dollars will be included in a U.S. Holder's gross income in a U.S. dollar amount based on the spot exchange rate in effect on the date of actual or constructive receipt whether or not the payment is converted into U.S. dollars at that time. The U.S. Holder will have a tax basis in such currency equal to such U.S. dollar amount, and any gain or loss recognized upon a subsequent sale or conversion of the foreign currency for a different U.S. dollar amount will be U.S. source ordinary income or loss. If the dividend is converted into U.S. dollars on the date of receipt, a U.S. Holder generally should not be required to recognize foreign currency gain or loss in respect of the dividend income.

Subject to applicable limitations that may vary depending upon the circumstances, foreign taxes withheld from dividends on ordinary shares, to the extent the taxes do not exceed those taxes that would have been withheld had the holder been eligible for and actually claimed the benefits of any reduction in such taxes under applicable law or tax treaty, will be creditable against a U.S. Holder's federal income tax liability. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. The rules governing foreign tax credits are complex and, therefore, prospective purchasers of ordinary shares should consult their own tax advisor regarding the availability of foreign tax credits in their particular circumstances. Instead of claiming a credit, a U.S. Holder may, at his election, deduct such otherwise creditable foreign taxes in computing his taxable income, subject to generally applicable limitations under U.S. law.

A non-U.S. Holder generally will not be subject to U.S. federal income or withholding tax on dividends paid with respect to ordinary shares unless such income is effectively connected with the conduct by the non-U.S. Holder of a trade or business within the United States.

Sale or Disposition of Ordinary Shares

A U.S. Holder generally will recognize gain or loss on the taxable sale or exchange of the ordinary shares in an amount equal to the difference between the U.S. dollar amount realized on such sale or exchange (determined in the case of shares sold or exchanged for currencies other than U.S. dollars by reference to the spot exchange rate in effect on the date of the sale or exchange or, if the ordinary shares sold or exchanged are traded on an established securities market and the U.S. Holder is a cash basis taxpayer or an electing accrual basis taxpayer, the spot exchange rate in effect on the settlement date) and the U.S. Holder's adjusted tax basis in the ordinary shares determined in U.S. dollars. The initial tax basis of the ordinary shares to a U.S. Holder will be the U.S. Holder's U.S. dollar purchase price for the shares (determined by reference to the spot exchange rate in effect on the date of the purchase, or if the shares purchased are traded on an established securities market and the U.S. Holder is a cash basis taxpayer or an electing accrual basis taxpayer, the spot exchange rate in effect on the

settlement date). Assuming that the Company is not a PFIC and has not been treated as a PFIC during your holding period for our ordinary shares, such gain or loss will be capital gain or loss and will be long-term gain or loss if the ordinary shares have been held for more than one year. With respect to sales occurring in taxable years commencing before January 1, 2011, the maximum long-term capital gain tax rate for an individual U.S. Holder is 15%. For sales beginning in taxable years after December 31, 2010, under current law the long-term capital gain rate for an individual U.S. Holder is 20%. The deductibility of capital losses is subject to limitations. Capital gain or loss, if any, recognized by a U.S. Holder generally will be treated as U.S. source income or loss for U.S. foreign tax credit purposes.

A non-U.S. Holder of ordinary shares will not be subject to United States income or withholding tax on gain from the sale or other disposition of ordinary shares unless (i) such gain is effectively connected with the conduct of a trade or business within the United States or (ii) the non-U.S. Holder is an individual who is present in the United States for at least 183 days during the taxable year of the disposition and certain other conditions are met.

Potential Application of Passive Foreign Investment Company Provisions

We do not believe we will be classified as a PFIC for the current year. In general, a non-U.S. corporation will be classified as a PFIC for U.S. federal income tax purposes in any taxable year in which, after applying certain look-through rules, either (1) at least 75% of its gross income is "passive income" or (2) at least 50% of the average value of its gross assets is attributable to assets that produce "passive income" or are held for the production of "passive income". Passive income for this purpose generally includes dividends, interest, royalties, rents and gains from commodities, foreign currency and securities transactions. Certain exceptions are provided, however, for rental income derived in the active conduct of a business.

Our belief that we will not be classified as a PFIC for the current taxable year is based on (i) our financial statements and (ii) our current business plans, the value and nature of our assets and the sources and nature of our income. However, the determination as to whether a foreign corporation is a PFIC is a complex determination that is based on all of the relevant facts and circumstances and that depends on the classification of various assets and income under the rules that apply in determining whether a foreign corporation is a PFIC. It is unclear how some of these rules apply to us. Further, this determination must be tested annually and our circumstances may change in any given year. We do not intend to make decisions regarding the purchase and sale of aircraft with the specific purpose of reducing the likelihood of our becoming a PFIC. Accordingly, our business plan may result in our engaging in activities that could cause us to become a PFIC. There can be no assurance that we will not be classified as a PFIC for the current taxable year or any future taxable year.

If we are or become a PFIC in a taxable year in which we pay a dividend or the prior taxable year, the 15% dividend rate discussed above with respect to dividends paid to non-corporate holders would not apply. If we are a PFIC, subject to the discussion of the qualified electing fund election below, a U.S. Holder of ordinary shares will be subject to additional tax and an interest charge on "excess distributions" received with respect to the ordinary shares or gains realized on the disposition of such ordinary shares. Such a U.S. Holder will have an excess distribution if distributions during any tax year exceed 125% of the average amount received during the three preceding tax years (or, if shorter, the U.S. Holder's holding period). A U.S. Holder may realize gain on an ordinary share not only through a sale or other disposition, but also by pledging the ordinary share as security for a loan or entering into certain constructive disposition transactions. To compute the tax on an excess distribution or any gain, (i) the excess distribution or gain is allocated ratably over the U.S. Holder's holding period, (ii) the amount allocated to the current tax year and amounts allocated to any year before the first year in which we are a PFIC is taxed as ordinary income in the current tax year, and (iii) the amount allocated to each previous tax year (other than any year before the first year in which we are a PFIC) is taxed at

the highest applicable marginal rate in effect for that year and an interest charge is imposed to recover the deemed benefit from the deferred payment of the tax. These rules effectively prevent a U.S. Holder from treating the gain realized on the disposition of an ordinary share as capital gain.

If we are a PFIC and our ordinary shares are "regularly traded" on a "qualified exchange," a U.S. Holder may make a mark-to-market election, which may mitigate the adverse tax consequences resulting from the Company's PFIC status. The ordinary shares will be treated as "regularly traded" in any calendar year during which more than a *de minimis* quantity of ordinary shares are traded on a qualified exchange on at least 15 days during each calendar quarter. The New York Stock Exchange on which the ordinary shares are expected to be regularly traded is a qualified exchange for U.S. federal income tax purposes.

If a U.S. Holder makes the mark-to-market election, for each year in which we are a PFIC the holder generally will include as ordinary income the excess, if any, of the fair market value of the ordinary shares at the end of the taxable year over their adjusted basis, and will be permitted an ordinary loss in respect of the excess, if any, of the adjusted basis of the ordinary shares over their fair market value at the end of the taxable year (but only to the extent of the net amount of previously included income as a result of the mark-to-market election). If a U.S. Holder makes the election, his basis in the ordinary shares will be adjusted to reflect any such income or loss amounts. Any gain recognized on the sale or other disposition of ordinary shares, for which the mark-to-market election has been made, will generally be treated as ordinary income.

Alternatively, if we become a PFIC in any year, a U.S. Holder of ordinary shares may wish to avoid the adverse tax consequences resulting from our PFIC status by making a qualified electing fund ("QEF") election with respect to our ordinary shares in such year. If a U.S. Holder makes a QEF election, the holder will be required to include in gross income in each year that we are a PFIC (i) as ordinary income, its pro rata share of our earnings and profits in excess of net capital gains and (ii) as long-term capital gains, its pro rata share of our net long-term capital gains, in each case, whether or not cash distributions are actually made. The amounts recognized by a U.S. Holder making a QEF election generally are treated as income from sources outside the U.S. If, however, U.S. Holders hold at least half of the ordinary shares, a percentage of our income equal to the proportion of our income that we receive from U.S. sources will be U.S. source income for the U.S. Holders of ordinary shares. Because a U.S. Holder of shares in a PFIC that makes a QEF election is taxed currently on its pro rata share of our income, the amounts recognized will not be subject to tax when they are distributed to the U.S. Holder. An electing U.S. Holder's basis in the ordinary shares will be increased by any amounts included in income currently as described above and decreased by any amounts not subjected to tax at the time of distribution. If we are or become a PFIC, a U.S. Holder would make a QEF election in respect of its ordinary shares by attaching a properly completed IRS Form 8621 in respect of such shares to the holder's timely filed U.S. federal income tax return. For any taxable year that we determine that we are a PFIC, we will (i) provide notice of our status as a PFIC as soon as practicable following such taxable year and (ii) comply with all reporting requirements necessary for U.S. Holders to make QEF elections, including providing to shareholders upon request the information necessary for such an election.

Although a U.S. Holder normally is not permitted to make a retroactive QEF election, a retroactive election (a "retroactive QEF election") may be made for a taxable year of the U.S. Holder (the "retroactive election year") if the U.S. Holder (i) reasonably believed that, as of the date the QEF election was due, the foreign corporation was not a PFIC for its taxable year that ended during the retroactive election year and (ii) to the extent provided for in applicable Treasury Regulations, filed a protective statement with respect to the foreign corporation, applicable to the retroactive election year, in which the U.S. Holder described the basis for its reasonable belief and extended the period of limitation on the assessment of taxes for all taxable years of the shareholder to which the protective statement applies. If required to be filed to preserve the U.S. Holder's ability to make a retroactive

QEF election, the protective statement must be filed by the due date of the investor's return (including extensions) for the first taxable year to which the statement is to apply. U.S. Holders should consult their own tax advisor regarding the advisability of filing a protective statement.

As discussed above, if we are a PFIC, a U.S. Holder of ordinary shares that makes a QEF election (including a proper retroactive QEF election) will be required to include in income currently its pro rata share of our earnings and profits whether or not we actually distribute earnings. The use of earnings to fund reserves or pay down debt or to fund other investments could result in a U.S. Holder of ordinary shares recognizing income in excess of amounts it actually receives. In addition, our income from an investment for U.S federal income tax purposes may exceed the amount we actually receive. If we are a PFIC and a U.S. Holder makes a valid QEF election in respect of their ordinary shares, such holder may be able to elect to defer payment, subject to an interest charge for the deferral period, of the tax on income recognized on account of the QEF election. Prospective purchasers of ordinary shares should consult their tax advisors about the advisability of making a QEF election, protective QEF election and deferred payment election.

Miscellaneous itemized deductions of an individual U.S. person can only be deducted to the extent that all of such person's miscellaneous itemized deductions exceed 2% of their adjusted gross income. In addition, an individual's miscellaneous itemized deductions are not deductible for purposes of computing the alternative minimum tax. Certain expenses of the Company might be a miscellaneous itemized deduction if incurred by an individual. A U.S. person that owns an interest in a "pass-through entity" is treated as recognizing income in an amount corresponding to its share of any item of expense that would be a miscellaneous itemized deduction and as separately deducting that item subject to the limitations described above. If it is determined that we are a PFIC, the IRS could take the position that we are a "pass-through entity" with respect to a U.S. Holder of ordinary shares that makes a QEF election.

Special rules apply to determine the foreign tax credit with respect to withholding taxes imposed on distributions on shares in a PFIC. If a U.S. Holder owns ordinary shares during any year in which we are a PFIC, such Holder must file Internal Revenue Service Form 8621.

We urge prospective purchasers of ordinary shares to consult their tax advisers concerning the tax considerations relevant to an investment in a PFIC, including the availability and consequences of making the mark-to-market election and QEF election discussed above.

Information Reporting and Backup Withholding

Information reporting to the U.S. Internal Revenue Service generally will be required with respect to payments on the ordinary shares and proceeds of the sale of the ordinary shares paid to holders that are U.S. taxpayers, other than corporations and other exempt recipients. A 28% "backup" withholding tax may apply to those payments if such a holder fails to provide a taxpayer identification number to the paying agent and to certify that no loss of exemption from backup withholding has occurred. Holders that are not subject to U.S. taxation may be required to comply with applicable certification procedures to establish that they are not U.S. taxpayers in order to avoid the application of such information reporting requirements and backup withholding. The amounts withheld under the backup withholding rules are not an additional tax and may be refunded, or credited against the holder's U.S. federal income tax liability, if any, provided the required information is furnished to the U.S. Internal Revenue Service.

THE ABOVE DISCUSSION IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE OF IMPORTANCE TO A PARTICULAR INVESTOR. EACH PROSPECTIVE INVESTOR IS STRONGLY URGED TO CONSULT ITS OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES TO IT OF AN INVESTMENT IN THE ORDINARY SHARES.

UNDERWRITERS

Under the terms and subject to the conditions contained in an underwriting agreement dated the date of this prospectus, the underwriters named below, for whom Morgan Stanley & Co. Incorporated, Goldman Sachs & Co., Lehman Brothers Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated are acting as representatives, have severally agreed to purchase, and the selling shareholders have agreed to sell to them, severally, the number of ordinary shares indicated below:

Name	Number of Ordinary Shares
Morgan Stanley & Co. Incorporated	
Goldman, Sachs & Co.	
Lehman Brothers Inc.	
Merrill Lynch, Pierce, Fenner & Smith Incorporated	
UBS Securities LLC	
Wachovia Capital Markets, LLC	
J.P. Morgan Securities Inc	
Citigroup Global Markets Inc.	
Calyon Securities (USA) Inc.	
Total	20,000,000

The underwriters are offering the ordinary shares subject to their acceptance of the ordinary shares from the selling shareholders and subject to prior sale. The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the ordinary shares offered by this prospectus are subject to the approval of certain legal matters by their counsel and to certain other conditions. The underwriters are obligated to take and pay for all of the ordinary shares offered by this prospectus if any such ordinary shares are taken. However, the underwriters are not required to take or pay for the ordinary shares covered by the underwriters' overallotment option described below.

The underwriters initially propose to offer part of the ordinary shares directly to the public at the public offering price listed on the cover page of this prospectus and part to certain dealers at a price that represents a concession not in excess of $ a share under the public offering price. After the initial offering of the ordinary shares, the offering price and other selling terms may from time to time be varied by the representatives.

The selling shareholders have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus, to purchase up to an aggregate of 3,000,000 additional ordinary shares, at the public offering price listed on the cover page of this prospectus, less underwriting discounts and commissions. The underwriters may exercise this option solely for the purpose of covering overallotments, if any, made in connection with the offering of the ordinary shares offered by this prospectus. To the extent the option is exercised, each underwriter will become obligated, subject to certain conditions, to purchase about the same percentage of the additional ordinary shares as the number listed next to the underwriter's name in the preceding table bears to the total number of ordinary shares listed next to the names of all underwriters in the preceding table. If the underwriters' option is exercised in full, the total price to the public would be $ million, the total underwriters' discounts and commissions would be $ million and total proceeds to the selling shareholders would be $ million.

The underwriters have informed us that they do not intend to confirm sales to accounts over which they exercise discretionary authority without the prior written approval of the customer.

Our ordinary shares are listed on the New York Stock Exchange under the symbol "AER".

We, the selling shareholders, all of our directors and executive officers and certain of our other stockholders have agreed that, without the prior written consent of Morgan Stanley & Co. Incorporated, Goldman Sachs & Co., Lehman Brothers Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated on behalf of the underwriters, we and they will not, during the period ending 90 days after the date of this prospectus:

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of directly or indirectly, any ordinary shares or any securities convertible into or exercisable or exchangeable for ordinary shares;
- file any registration statement with the SEC relating to the offering of any ordinary shares or any securities convertible into or exercisable or exchangeable for ordinary shares; or
- enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the ordinary shares;

whether any such transaction described above is to be settled by delivery of ordinary shares or such other securities, in cash or otherwise. The restrictions described in this paragraph do not apply to:

- the sale of ordinary shares to the underwriters;
- our issuance of ordinary shares upon the exercise of an option or a warrant; or
- the issuance of ordinary shares in connection with the acquisition of, or a joint venture with, another company if the aggregate number of ordinary shares issued in such transactions, taken together, does not exceed 5% of the aggregate number of ordinary shares issued in this offering.

The 90-day restricted period described above is subject to extension such that, in the event that either (1) during the last 17 days of the applicable restricted period, we issue an earnings release or material news or a material event relating to us occurs or (2) prior to the expiration of the applicable restricted period, we announce that we will release earnings results during the 16-day period beginning on the last day of the applicable restricted period, the "lock-up" restrictions described above will, subject to limited exceptions, continue to apply until the expiration of the 18-day period beginning on the earnings release or the occurrence of the material news or material event.

The estimated offering expenses payable by the selling shareholders, in addition to the underwriting discounts and commissions, are approximately $ million, which includes accounting, legal and printing costs and various other fees associated with registering and listing our ordinary shares.

The following table shows the per share and total underwriting discounts and commissions that the selling shareholders are to pay to the underwriters in connection with this offering. These amounts are shown assuming both no exercise and full exercise of the underwriters' overallotment option to purchase additional ordinary shares from the selling shareholders.

	Per Share		Total	
	Without Over-allotment	With Over-allotment	Without Over-allotment	With Over-allotment
Underwriting discounts and commissions paid by the selling shareholders	$	$	$	$
Expenses payable by the selling shareholders	$	$	$	$

In order to facilitate the offering of the ordinary shares, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the ordinary shares. Specifically, the underwriters may sell more ordinary shares than they are obligated to purchase under the underwriting agreement, creating a short position. A short sale is covered if the short position is no greater than the number of ordinary shares available for purchase by the underwriters under the overallotment option.

The underwriters can close out a covered short sale by exercising the overallotment option or purchasing ordinary shares in the open market. In determining the source of ordinary shares to close out a covered short sale, the underwriters will consider, among other things, the open market price of ordinary shares compared to the price available under the overallotment option. The underwriters may also sell ordinary shares in excess of the overallotment option, creating a naked short position. The underwriters must close out any naked short position by purchasing ordinary shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the ordinary shares in the open market after pricing that could adversely affect investors who purchase in the offering. As an additional means of facilitating the offering, the underwriters may bid for, and purchase, ordinary shares in the open market to stabilize the price of the ordinary shares. The underwriting syndicate may also reclaim selling concessions allowed to an underwriter or a dealer for distributing the ordinary shares in the offering, if the syndicate repurchases previously distributed ordinary shares to cover syndicate short positions or to stabilize the price of the ordinary shares. These activities may raise or maintain the market price of the ordinary shares above independent market levels or prevent or retard a decline in the market price of the ordinary shares. The underwriters are not required to engage in these activities, and may end any of these activities at any time.

A prospectus in electronic format may be made available on the web sites maintained by one or more underwriters. The representatives may agree to allocate a number of ordinary shares to underwriters for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives to underwriters that may make Internet distributions on the same basis as other allocations.

Other than this prospectus in electronic format, the information on any underwriter's web site and any information contained in any other web site maintained by an underwriter is not part of this prospectus or the registration statement of which this prospectus forms a part, has not been approved and/or endorsed by us or any underwriter in its capacity as an underwriter and should not be relied upon by investors.

From time to time, certain of the underwriters and their respective affiliates have provided, and continue to provide, investment banking and other services to us for which they receive customary fees and commissions.

An affiliate of Lehman Brothers Inc. (the "Lehman Affiliate") has a 2.7% participation interest in the limited partnership interests that Cerberus holds in our indirect shareholders. Proceeds from this offering received by our selling shareholders will be distributed to our indirect shareholders, which will distribute such proceeds to the common shareholders of each indirect shareholder. The Lehman Affiliate will receive 2.7% of the proceeds to be paid to Cerberus in respect of its ownership of our indirect shareholders' common shares. Based on the public offering price of $ per share, the last reported sale price of our ordinary shares on the NYSE on , 2007, the sale by the selling shareholders of the number of shares set forth on the cover of this prospectus and distribution of the proceeds of this offering as described above, the Lehman Affiliate will receive $ million of the proceeds of this offering received by the selling shareholders.

Affiliates of Calyon Securities (USA), Inc. (each a "Calyon Affiliate") are lenders to AeroTurbine under its senior secured term loan and junior term loan (the "Calyon Loans") and a revolving credit facility (the "Calyon Revolving Credit Facility"), all entered into on April 26, 2006 and amended and restated on December 13, 2006. See "Indebtedness—AeroTurbine Calyon Loans and Facility".

Our AerDragon joint venture is 25% owned by a Calyon Affiliate. See "Business—Aircraft—Joint Ventures—AerDragon".

In November 2006, AerVenture and a Calyon Affiliate entered into a facility in which Calyon has arranged a credit facility to finance a portion of the pre-delivery payments to Airbus up to an amount of $118.9 million. See "Indebtedness—AerVenture Pre-delivery Payment Facility".

An employee of a Calyon Affiliate, Franck Genet, is a director of Lyon Location S.à.r.l., our wholly owned subsidiary. For this role, Mr. Genet receives customary compensation.

An affiliate of Wachovia Capital Markets, LLC (the "Wachovia Affiliate") is a party to a senior credit agreement (the "Wachovia Senior Credit Agreement") with AerCap AT, an entity which was a wholly owned subsidiary of AeroTurbine and in May 2006 merged with AeroTurbine. The Wachovia Senior Credit Agreement was entered into on April 26, 2006, with the Wachovia Affiliate acting as a co-documentation agent for several banks and financial institutions. See "Indebtedness—AeroTurbine Calyon Loans and Facility".

Affiliates of UBS Securities LLC are lenders to our consolidated subsidiary, AerFunding 1 Limited, under its non-recourse $1.0 billion senior secured revolving credit facility (the "UBS Revolving Credit Facility"). The UBS Revolving Credit Facility was entered into on April 26, 2006 and amended and restated on May 8, 2007. See "Indebtedness—UBS Revolving Credit Facility".

A non-executive director of the Company, W. Brett Ingersoll, previously served as a partner of an affiliate of JP Morgan from 1993 to 2002. For more information, see "Management—Directors and Executive Officers—Directors".

We, the selling stockholders and the underwriters have agreed to indemnify each other against certain liabilities, including liabilities under the Securities Act.

Selling Restrictions

No action has been taken in any jurisdiction (except in the United States) that would permit a public offering of the ordinary shares, or the possession, circulation or distribution of this prospectus or any other material relating to us, the selling shareholders or the ordinary shares in any jurisdiction where action for that purpose is required. Accordingly, the ordinary shares may not be offered or sold, directly or indirectly, and neither this prospectus nor any other offering material or advertisements in connection with the ordinary shares may be distributed or published, in or from any country or jurisdiction except in compliance with any applicable rules and regulations of any such country or jurisdiction.

The ordinary shares offered pursuant to this prospectus are not being registered under the Securities Act for the purpose of sales outside the United States.

European Economic Area. In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), the ordinary shares are not, will not, and may not be offered to the public in that Relevant Member State except that, with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State, ordinary shares may be offered to the public in that Relevant Member State at any time:

- in the period beginning on the date of publication of a prospectus in relation to ordinary shares, which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive in that Relevant Member States and the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member States;

- to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

- to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) total balance sheet assets of more than € 43,000,000 and (3) an annual net turnover of more than € 50,000,000, as shown in its last annual or consolidated accounts; or

- in any other circumstances which do not require the publication by the Company of a prospectus pursuant to the Prospectus Directive.

For the purposes of this provision, the expression an "offer of ordinary shares to the public" in relation to any ordinary shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the ordinary shares to be offered so as to enable an investor to decide to purchase or subscribe for the ordinary shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member States and the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member States.

United Kingdom. This document is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) to investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or (iii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (e) of the Order (all such persons together being referred to as "relevant persons"). The ordinary shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such ordinary share will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

Each of the underwriters has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 or FSMA) received by it in connection with the issue or sale of the ordinary shares in circumstances in which Section 21(1) of the FSMA does not apply to us, and

(b) it has complied with, and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the ordinary shares in, from or otherwise involving the United Kingdom.

Hong Kong. The ordinary shares may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), and no advertisement, invitation or document relating to the ordinary shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to the ordinary shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Singapore. This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the ordinary shares may not be circulated or distributed, nor may the ordinary shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the ordinary shares are subscribed or purchased under Section 275 by a relevant person which is: (a) a corporation (which is not an accredited investor) the sole business of which is to hold

investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for six months after that corporation or that trust has acquired the ordinary shares under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA; (2) where no consideration is given for the transfer; or (3) by operation of law.

Japan. The ordinary shares have not been and will not be registered under the Securities and Exchange Law of Japan (the Securities and Exchange Law) and each underwriter has agreed that it will not offer or sell any securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

Ireland. Under the Irish Investment Intermediaries Acts 1995-2000, a person or persons acting in concert proposing to acquire a direct or indirect holding of our ordinary shares or other interest in us must give the Irish Financial Services Regulatory Authority prior written notice of such proposed acquisition if the acquisition would (i) represent 10% or more of the our capital or voting rights; (ii) result in the proportion of capital or voting rights in us held by such person or persons reaching or exceeding 10%, 20%, 33% or 50% of the capital or voting rights in us; or (iii) in the opinion of the Financial Regulator of Ireland, make it possible for that person or those persons to control or exercise a significant influence over the management of either or both of our Irish regulated entities. Pursuant to the Irish Investment Intermediaries Acts 1995-2000, any such proposed acquisition shall not proceed until (a) the Irish Financial Services Regulatory Authority has informed us and such acquiring person or persons that it approves of such acquisition or (b) the period prescribed in section 40 of the Irish Investment Intermediaries Acts 1995-2000 has elapsed without the Irish Financial Regulator having refused to grant such approval. Corresponding provisions apply for the disposition of our ordinary shares except that, in such case, no approval is required, but notice of the disposition must be given.

ENFORCEMENT OF CIVIL LIABILITIES

We are a Netherlands public limited liability company ("*naamloze vennootschap*"). Most of our directors and executive officers live outside of the United States. Most of the assets of our directors and most of our assets are located outside of the United States. As a result, it may not be possible to serve process on us or on such persons in the United States or to enforce judgments obtained in U.S. courts against them or us based on the civil liability provisions of the securities laws of the United States. Under our articles of association (i) certain disputes between, among others, our shareholders and us and or our directors must be exclusively submitted to Netherlands courts, and (ii) the legal relationships between, among others, those persons are governed by the laws of The Netherlands. There is doubt as to whether Netherlands courts would enforce certain civil liabilities under U.S. securities laws in original actions. In addition, there is doubt as to whether Netherlands courts will enforce claims for punitive damage. An award rendered by a foreign court is recognized and enforceable in The Netherlands only under a treaty to that effect between the state of the foreign court and The Netherlands. In the absence of a treaty providing for the recognition and enforcement of judgments of U.S. courts, Netherlands courts will not recognize and enforce judgments of U.S. courts based upon these civil liability provisions.

LEGAL MATTERS

Certain legal matters will be passed upon for us by Milbank, Tweed, Hadley & McCloy LLP, New York, New York, and NautaDutilh N.V. Amsterdam, The Netherlands will pass upon the validity of the ordinary shares. Davis Polk & Wardwell, New York, New York is representing the underwriters in this offering.

EXPERTS

The financial statements for AerCap B.V. as of December 31, 2004 and for the year ended December 31, 2004 and the six months ended June 30, 2005 and for AerCap Holdings N.V. as of December 31, 2005 and 2006 and for the period from June 27 to December 31, 2005 and for the year ended December 31, 2006 included in this prospectus, have been so included in reliance on the reports of PricewaterhouseCoopers Accountants N.V., an independent registered public accounting firm, given on the authority of said firm as experts in accounting and auditing.

The historical combined financial statements of AeroTurbine, Inc. as of December 31, 2005 and the year then ended, have been included herein in reliance upon the report of KPMG LLP, independent accountants, appearing elsewhere herein, which includes an explanatory paragraph that on April 26, 2006, AeroTurbine, Inc. was acquired by AerCap Inc., and upon authority of said firm as experts in accounting and auditing.

The section in this prospectus entitled "Aircraft, Engine and Aviation Parts Industry" is based upon information either compiled or produced by Simat, Helliesen & Eichner, Inc. and is included on reliance upon the authority of that firm as an expert. In the introduction to such section, Simat, Helliesen & Eichner notes that it has taken reasonable care in the compilation of the statistical and graphical information it has provided and believes such information to be accurate and correct, but that its compilation of such data is subject to limited verification, audit and validation procedures.

WHERE YOU CAN FIND MORE INFORMATION

We have filed a registration statement, of which this prospectus is a part, on Form F-1 with the SEC relating to this offering. This prospectus, which is part of the registration statement, does not contain all of the information in the registration statement and the exhibits and financial statements included with the registration statement. For further information, we refer you to the registration statement and the exhibits filed as part of the registration statement. If a document has been filed as an exhibit to the registration statement, we refer you to the copy that has been filed.

We are subject to the informational requirements of the Exchange Act. Accordingly, we are required to file reports and other information with the SEC, including reports on Form 20-F and Form 6-K. You may inspect and copy reports and other information filed with the SEC at the public reference room in Washington, D.C. at 100 F Street, Room 1580, N.E., Washington, D.C. 20549. You can also request copies of those documents, upon payment of a duplicating fee, by writing to the SEC. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference rooms. The SEC also maintains an internet site that contains reports, proxy and information statements and other information regarding issuers that file with the SEC. The website address is http://www.sec.gov. You may also request a copy of these filings, at no cost, by writing or telephoning us as follows: AerCap Holdings N.V., Evert van de Beekstraat 312, 1118 CX Schiphol Airport, The Netherlands, +31-20-655-9655.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

PRICEWATERHOUSECOOPERS

Reports of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders AerCap Holdings N.V.,

We have audited the accompanying consolidated statements of income, shareholders' equity and cash flows of debis AirFinance B.V. ("AerCap B.V.") and its subsidiaries for the period from January 1, 2005 to June 30, 2005 and for the year ended December 31, 2004. In connection with our audits of the consolidated financial statements, we have also audited the related financial statement Schedule I. These financial statements and financial statement Schedule I are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and the financial statement Schedule I based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statements of income, shareholders' equity and cash flows are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statements of income, shareholders' equity and cash flows. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall income, shareholders' equity and cash flow statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated statements of income, shareholders' equity and cash flows referred to above present fairly, in all material respects, the results of their operations, cash flows and other data shown therein of debis AirFinance B.V. and its subsidiaries for the period January 1, 2005 to June 30, 2005 and for the year ended December 31, 2004 in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the related financial statement Schedule I presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

As discussed in note 1 to the financial statements, the Company adjusted its method of accounting for maintenance activities.

Rotterdam, March 21, 2007
except for "maintenance adjustment" as described in note 1 which is dated July 10, 2007
PricewaterhouseCoopers Accountants N.V.

/s/ A. Tukker RA
A. Tukker RA

PRICEWATERHOUSECOOPERS

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of AerCap Holdings N.V.,

We have audited the accompanying consolidated balance sheets of AerCap Holdings N.V. and its subsidiaries as of December 31, 2006 and 2005 and the related consolidated statements of income, shareholders' equity and cash flows for the year ended December 31, 2006 and for the period from June 27, 2005 to December 31, 2005. In connection with our audits of the consolidated financial statements, we have also audited the related financial statement Schedule I. These financial statements and the financial statement Schedule I are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and the financial statement Schedule I based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of AerCap Holdings N.V. and its subsidiaries, at December 31, 2006 and 2005, and the results of their operations and cash flows for the year ended December 31, 2006 and for the period June 27, 2005 to December 31, 2005 in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the related financial statement Schedule I presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

As discussed in note 1 to the financial statements, the Company adjusted its method of accounting for maintenance activities.

Rotterdam, March 21, 2007,
except for "maintenance adjustment" as described in note 1 which is dated July 10, 2007
PricewaterhouseCoopers Accountants N.V.

/s/ A. Tukker RA
A Tukker RA

AerCap Holdings N.V. and Subsidiaries

Consolidated Balance Sheets

As of December 31, 2005 and 2006

	Note	December 31, 2005 (adjusted)	December 31, 2006 (adjusted)
		(US dollars in thousands, except share and per share amounts)	
Assets			
Cash and cash equivalents		$ 183,554	$ 131,201
Restricted cash	3	157,730	112,277
Trade receivables, net of provisions of $3,405 and $2,496	4	6,575	25,058
Flight equipment held for operating leases, net	5	2,189,267	2,966,779
Net investment in direct finance leases	6	1,072	—
Notes receivable, net of provisions, of $2,563 and nil	7	196,620	167,451
Prepayments on flight equipment	8	115,657	166,630
Investments	9	3,000	18,000
Goodwill	10	—	6,776
Intangibles	10	38,571	34,229
Inventory	11	—	82,811
Derivative assets	12	18,420	17,871
Deferred income taxes	17	99,312	96,521
Other assets	13	51,421	92,432
Total Assets		$ 3,061,199	$ 3,918,036
Liabilities and Shareholders' Equity			
Accounts payable		$ 2,575	$ 6,958
Accrued expenses and other liabilities	14	76,562	92,466
Accrued maintenance liability		150,190	259,739
Lessee deposit liability		56,386	77,686
Debt	15	2,172,995	2,555,139
Accrual for onerous contracts	16	152,634	111,333
Deferred revenue		22,009	28,391
Derivative liabilities	12	8,087	—
Deferred income taxes	17	—	3,383
Commitments and contingencies	26	—	—
Total Liabilities		2,641,438	3,135,095
Minority interest, net of taxes		—	31,937
Ordinary share capital, €.01 par value (200,000,000 ordinary shares authorized, 78,236,957 and 85,036,957 ordinary shares issued and outstanding, respectively)	18	646	699
Additional paid-in capital		369,354	591,553
Accumulated retained earnings		49,761	158,752
Total Shareholders' Equity		419,761	751,004
Total Liabilities and Shareholders' Equity		$ 3,061,199	$ 3,918,036

The accompanying notes are an integral part of these consolidated financial statements.

AerCap Holdings N.V. and Subsidiaries

Consolidated Income Statements

For the Year Ended December 31, 2004, the Six Months Ended June 30, 2005, the Period from June 27 to December 31, 2005 and the Year Ended December 31, 2006

	Note	AerCap B.V. Year ended December 31, 2004 (adjusted)	AerCap B.V. Six months ended June 30, 2005 (adjusted)	AerCap Holdings N.V. June 27, 2005 to December 31, 2005 (adjusted)	AerCap Holdings N.V. Year ended December 31, 2006 (adjusted)
		(US dollars in thousands, except share and per share amounts)			
Revenues					
Lease revenue	20	$ 308,500	$ 162,155	$ 173,568	$ 443,925
Sales revenue		32,050	75,822	12,489	301,405
Management fee revenue		15,009	6,512	7,674	14,072
Interest revenue		21,641	13,130	20,335	34,681
Other revenue		13,667	3,459	1,006	20,336
Total Revenues		390,867	261,078	215,072	814,419
Expenses					
Depreciation	5	125,877	66,407	45,918	102,387
Cost of goods sold		18,992	57,632	10,574	220,277
Goodwill impairment	21	132,411	—	—	—
Impairment of investments	22	2,260	—	—	—
Interest on debt	15	113,132	69,857	44,742	166,219
Operating lease in costs	16	35,770	13,877	11,441	25,232
Leasing expenses		32,452	15,348	12,081	21,477
Provision for doubtful notes and accounts receivable	4,7	634	3,161	3,002	(186)
Selling, general and administrative expenses	23	36,449	19,559	26,949	149,364 (a)
Total Expenses		497,977	245,841	154,707	684,770
(Loss) income from continuing operations before income taxes and minority interest		(107,110)	15,237	60,365	129,649
Provision for income taxes	17	224	556	(10,604)	(21,246)
Minority interest, net of taxes		—	—	—	588
Net (Loss) Income		$ (106,886)	$ 15,793	$ 49,761	$ 108,991
Basic and diluted (loss) earnings per share	24	$ (145.19)	$ 21.45	$ 0.64	$ 1.38
Weighted average shares outstanding, basic and diluted		736,203	736,203	78,236,957	78,992,513

(a) Includes share-based compensation of $78,635

The accompanying notes are an integral part of these consolidated financial statements.

AerCap Holdings N.V. and Subsidiaries

Consolidated Statements of Cash Flows

For the Year Ended December 31, 2004, the Six Months Ended June 30, 2005, the Period from June 27 to December 31, 2005 and the Year Ended December 31, 2006

	AerCap B.V.		AerCap Holdings N.V.	
	Year ended December 31, 2004 (adjusted)	Six months ended June 30, 2005 (adjusted)	June 27, 2005 to December 31, 2005 (adjusted)	Year ended December 31, 2006 (adjusted)
	(US dollars in thousands)			
Net (loss) income	$ (106,886)	$ 15,793	$ 49,761	$ 108,991
Adjustments to reconcile net (loss) income to net cash provided by operating activities:				
Minority interest	—	—	—	(588)
Depreciation	125,877	66,407	45,918	102,387
Amortization of debt issuance costs	835	885	566	11,777
Amortization of intangibles	—	—	6,563	10,132
Goodwill impairment	132,411	—	—	—
Provision for doubtful notes and accounts receivable	634	3,161	3,002	(186)
Capitalized interest on pre-delivery payments	(7,850)	(3,084)	(2,767)	(4,888)
Release of provision against debt	—	—	—	(4,139)
Gain on disposal of assets	(21,311)	(24,906)	(2,645)	(67,720)
Mark-to-market of non-hedged derivatives	(22,708)	(11,783)	(19,028)	(9,166)
Deferred taxes	(2,191)	(1,178)	10,135	21,011
Share-based compensation	—	—	—	78,635
Changes in assets and liabilities:				
Trade receivables and notes receivable, net	16,842	59,023	9,846	30,299
Inventories	—	—	—	(24,216)
Other assets and derivative assets	13,347	(18,986)	(57)	(7,990)
Accounts payable and accrued expenses, including accrued maintenance liability, lessee deposits	(40,143)	21,681	5,595	98,936
Deferred revenue	3,076	262	2,349	5,104
Net cash provided by operating activities	91,933	107,275	109,238	348,379
Purchase of flight equipment	(313,213)	(74,679)	(124,191)	(879,497)
Proceeds from sale/disposal of assets	16,379	91,863	12,718	253,199
Principle repayments from investments	9,821	—	—	—
Prepayments on flight equipment	(33,366)	(19,711)	(26,604)	(93,708)
Purchase of subsidiaries, net of cash acquired	5,769	—	(1,245,609)	(143,100)
Purchase of investments	(2,260)	(3,000)	—	(15,000)
Purchase of intangibles	—	—	—	(10,636)
Movement in restricted cash	98,389	20,052	(47,573)	45,453
Net cash (used in) provided by investing activities	(218,481)	14,525	(1,431,259)	(843,289)
Issuance of debt	303,170	63,085	2,231,633	908,077
Repayment of debt	(160,842)	(239,369)	(1,058,095)	(607,721)
Debt issuance costs paid	(5,782)	(772)	(38,066)	(32,940)
Issuance of equity interests	—	35,051	370,000	143,617
Dividends paid to minority interests	—	—	—	(225)
Capital contributions from minority interests	—	—	—	32,750
Net cash provided by (used in) financing activities	136,546	(142,005)	1,505,472	443,558
Net increase (decrease) in cash and cash equivalents	9,998	(20,205)	183,451	(51,352)
Effect of exchange rate changes	2,374	233	103	(1,001)
Cash and cash equivalents at beginning of period	131,268	143,640	—	183,554
Cash and cash equivalents at end of period	$ 143,640	$ 123,668	$ 183,554	131,201
Supplemental cash flow information:				
Interest paid	$ 124,210	$ 77,042	$ 54,980	145,793
Taxes (refunded) paid	1,734	55	(605)	267

	Ancla		AerCap B.V.	AeroTurbine
Fair values of assets acquired and liabilities assumed in purchase acquisitions				
Assets acquired	$ 139,114	—	$ 2,838,918	$ 305,321
Liabilities assumed	(132,903)	—	(1,469,641)	(160,619)
Cash paid	$ 6,211	—	$ 1,369,277	$ 144,702

The accompanying notes are an integral part of these consolidated financial statements.

AerCap Holdings N.V. and Subsidiaries

Consolidated Statements of Shareholders' Equity

For the Year Ended December 31, 2004, the Six Months Ended June 30, 2005, the Period from June 27 to December 31, 2005 and the Year Ended December 31, 2006.

AerCap B.V.	Number of Shares	Share capital	Additional paid-in capital	Accumulated other comprehensive loss	Retained (loss) Earnings (adjusted)	Total shareholders' Equity (adjusted)
			(US dollars in thousands, except share amounts)			
Year ended December 31, 2004						
Balance at January 1, 2004 as previously reported	736,203	333,780	—	—	(201,222)	132,558
Cumulative effect adjustment of maintenance accounting change	—	—	—	—	43,528	43,528
Adjusted balance at January 1, 2004	736,203	333,780	—	—	(157,694)	176,086
Comprehensive income:						
Net loss for the year	—	$ —	—	$ —	$ (106,886)	$ (106,886)
Other comprehensive income:						
Other	—	—	—	(181)	—	(181)
Comprehensive income					—	(107,067)
Balance at December 31, 2004	736,203	$ 333,780	$ —	$ (181)	$ (264,580)	$ 69,019
Six months ended June 30, 2005						
Balance at January 1, 2005	736,203	$ 333,780	—	$ (181)	$ (264,580)	$ 69,019
Issuance of equity capital	63,797	35,051				35,051
Comprehensive income:						
Net income for the period	—	—	—	—	15,793	15,793
Comprehensive income						15,793
Balance at June 30, 2005	800,000	$ 368,831	$ —	$ (181)	$ (248,787)	$ 119,863

AerCap Holdings N.V.						
Period from June 27, 2005 to December 31,2005						
Balance at June 27, 2005	—	—	—	—	—	—
Issuance of equity capital	78,236,957	$ 646	$ 369,354			$ 370,000
Comprehensive income:						
Net income for the period	—	—	—	—	49,761	49,761
Comprehensive income						49,761
Balance at December 31, 2005	78,236,957	$ 646	$ 369,354	$ —	$ 49,761	$ 419,761
Year ended December 31, 2006						
Balance at January 1, 2006	78,236,957	$ 646	$ 369,354	—	$ 49,761	$ 419,761
Issuance of equity capital in public offering	6,800,000	53	143,564			143,617
Share-based compensation			78,635			78,635
Comprehensive income:						
Net income for the period	—	—		—	108,991	108,991
Comprehensive income						108,991
Balance at December 31, 2006	85,036,957	$ 699	$ 591,553	$ —	$ 158,752	$ 751,004

The accompanying notes are an integral part of these consolidated financial statements.

1. General

The Company

We are an integrated global aviation company, conducting aircraft and engine leasing and trading and parts sales. We also provide a wide range of aircraft management services to other owners of aircraft. We are headquartered in Amsterdam, The Netherlands, and have offices in Shannon, Ireland, Ft. Lauderdale and Miami, Florida and Goodyear, Arizona.

These consolidated financial statements include the accounts of AerCap Holdings N.V. and its subsidiaries. AerCap Holdings N.V. is a Netherlands public limited liability company ("naamloze vennootschap") formed on July 10, 2006 for the purpose of acquiring all of the assets and liabilities of AerCap Holdings C.V. AerCap Holdings C.V. was a limited partnership ("*commanditaire vennootschap*") formed under the laws of The Netherlands on June 27, 2005 for the purposes of acquiring the share capital, subordinated debt and senior debt of debis AirFinance B.V. ("AerCap B.V."), which occurred on June 30, 2005. In anticipation of our initial public offering, we changed our corporate structure from a Netherlands partnership to a Netherlands public limited liability company. This change was effected through the acquisition of all of the assets and liabilities of AerCap Holdings C.V. by AerCap Holdings N.V. on October 27, 2006. In accordance with Statement of Financial Accounting Standards ("SFAS") 141, *"Business Combinations"*, this acquisition was a transaction under common control and accordingly, AerCap Holdings N.V. recognized the acquisition of the assets and liabilities of AerCap Holdings C.V. at their carrying values and no goodwill or other intangible assets were recognized. Additionally in accordance with SFAS 141, these consolidated financial statements are presented as if AerCap Holdings N.V. had been the acquiring entity of AerCap B.V. on June 30, 2005. On November 27, 2006, we completed an initial public offering on the New York Stock Exchange, in which we issued 6.8 million ordinary shares and our shareholders sold 19.3 million of our ordinary shares at a price to the public of $23 per share (Note 18) generating net proceeds to us of $143,017 which we used to repay debt.

Acquisition of AeroTurbine, Inc.

On April 26, 2006 we purchased all of the existing share capital of AeroTurbine, Inc ("AT"). AT has been included in our consolidated financial statements from April 26, 2006. AT is engaged primarily in the distribution of turbojet aircraft, aircraft engines, and aircraft parts as well as the sale, lease and overhaul management of engines to the commercial aviation industry worldwide. AT is headquartered in Miami, Florida and has a location in Goodyear, Arizona. We acquired AT in order to diversify our investments in aviation assets and to give us a more significant presence in the market for older equipment. The total cash payment for the purchase was $144,702 including acquisition expenses. The consideration for the purchase was funded through cash from our operations of $70,946 and $73,756 of cash raised from refinancing AT's existing debt. The new financing totaled $175,000 and included $160,000 of senior unsecured debt, $15,000 of subordinated debt and a revolving credit facility of $171,000 to fund future growth. As discussed further in Note 18, we used the net proceeds from our initial public offering plus group cash to fully pre-pay the AT senior and subordinated debt. At the time of the prepayment of the AT senior and suborbinated debt, we amended and restated the terms of the senior and subordinated facility and increased the availability under the revolving credit facility to $220.0 million.

We have allocated the purchase price to the assets acquired and liabilities assumed as of the date of the acquisition as indicated in the table below:

	Fair Values Acquired
Cash and cash equivalents	$ 1,601
Equipment held for operating lease, net	158,820
Inventory	49,874
Intangible assets	25,600
Goodwill	38,199
Property and equipment	7,896
Other	23,331
Total assets	305,321
Debt	93,104
Deferred taxes	46,315
Other	21,200
Total liabilities	160,619
Total consideration paid	$ 144,702

The total amount of goodwill has been allocated to the Engine and Parts segment and is not tax deductible. A summary of the intangible assets acquired is as follows:

	Estimated fair value	Estimated useful lives in years
Customer relationships—parts	$ 19,800	10
Customer relationships—engines	3,600	10
FAA certificate	1,100	15
Non-compete agreement	1,100	6

Amortization of the customer relationship intangible assets is based on the anticipated sales in the periods after the AT acquisition of both parts and engines which benefit from such relationships. Amortization of the FAA certificate is straight-line over 15 years, the remaining estimated useful life of the engine type to which the repair station certificate relates. Amortization of the non-compete agreement is straight-line over six years, which is the sum of the term of the employment agreements of the related individuals and the term of the non-compete agreements. The following pro forma condensed consolidated information for the year ended December 31, 2006 gives effect to our acquisition of AT as if it had occurred on January 1, 2006. The pro forma condensed consolidated

information for the year ended December 31, 2005 gives effect to our acquisition by Cerberus (discussed below) and our acquisition of AT, as if they had both occurred on January 1, 2005:

	Year ended December 31, 2005 (unaudited)	Year ended December 31, 2006 (unaudited)
Revenues	$ 600,653	$ 868,056
Net income	35,779	106,776
Earnings per share, basic and diluted	0.46	1.35
Outstanding shares, basic and diluted	78,236,957	78,992,513

Acquisition of AerCap B.V.

On June 30, 2005, Cerberus purchased all of the share capital of AerCap B.V. from DaimlerChrysler Coordination Center SCS, DaimlerChrysler Aerospace AG, Bayerische Landesbank Girozentrale, DZ BANK AG Deutsche-Zentral-Genossenschaftsbank, Dresdner Bank AG in Frankfurt am Main, HVB Banque Luxembourg Société Anonyme (collectively, the "Previous Shareholders") and Kreditanstalt für Wiederaufbau (collectively with the Previous Shareholders, the "Previous Shareholder Lenders"), as well as the rights and obligations of the Previous Shareholder Lenders under certain subordinated and senior debt instruments under which AerCap B.V. was obligated (the "2005 Acquisition").

The 2005 Acquisition was effected through a cash payment of $1,291,493 to the Previous Shareholder Lenders. $1,000,000 of the purchase price was financed through a term loan from a syndicate of lenders and arranged by a US investment bank. The remainder was financed from equity capital contributed by Cerberus.

The 2005 Acquisition by Cerberus and its affiliates is accounted for as a purchase in conformity with SFAS 141.

The sources and uses of funds in connection with the 2005 Acquisition are summarized below:

Sources:	
Proceeds from secured term loan	$ 1,000,000
Proceeds from equity capital invested	370,000
Total sources	1,370,000
Uses:	
Payment to Previous Shareholder Lenders	(1,291,493)
Transaction costs	(42,733)
Additional equity contribution to AerCap B.V.	(35,051)
	(1,369,277)
Remaining cash	$ 723

We have allocated the purchase price to the assets acquired and liabilities assumed as of the date of the acquisition as indicated in the table below:

	Fair Values Acquired
Flight equipment held for operating lease	$ 2,085,221
Prepayments on flight equipment	119,200
Intangible lease premium	45,134
Deferred tax asset	109,447
Cash and cash equivalents	123,668
Other	359,019
Total assets	2,841,689
Accrued maintenance liability	135,114(a)
Debt	999,457
Other	337,841
Total liabilities	1,472,412
Cash paid	$ 1,369,277

(a) Represents the present value of our legal obligation to: (i) release supplemental rent collected by us for maintenance expenses incurred by our lessees; and (ii) contribute to lessor maintenance obligations.

Acquisition of Ancla Ireland Limited

We acquired all the shares in an Irish incorporated company ("Ancla") which owned one MD11 aircraft under finance lease on October 18, 2004. The results of operations for Ancla are included in our consolidated financial statements from the date of the acquisition. A summary of the fair value of assets acquired and liabilities assumed is as follows:

	Fair values acquired
Net investment in direct finance lease	$ 127,134
Cash	11,980
Total assets	139,114
Debt	126,716
Deferred tax liability	6,187
Total liabilities	132,903
Cash paid	$ 6,211

Variable interest entities

In January 2006, we sold a 50% equity interest in AerVenture Ltd. ("AerVenture"), previously a wholly-owned entity, to LoadAir, a subsidiary of Al Fawares, an investment and construction company based in Kuwait. AerVenture has contracted with Airbus for the acquisition of up to 70 A320 family

aircraft to be delivered between November 2007 and August 2010, with the intent of leasing these aircraft to third parties. The joint venture agreement requires us to make certain specified equity contributions and additional equity capital available to AerVenture depending on capital needs in the future. We have entered into agreements to provide management and marketing services to AerVenture in return for management fees. We have determined that AerVenture is a variable interest entity for which we are the primary beneficiary. As such, we have continued to consolidate AerVenture in our accounts.

In April 2006, we signed a joint venture agreement with Deucalion to form the Bella joint venture in which we hold a 50% equity interest. Bella was formed to purchase two used Airbus A330-322 aircraft for leasing. These aircraft were purchased in April and May 2006 and have subsequently been leased to third parties. We have entered into agreements to provide to Bella aircraft management and marketing services in return for management fees. We have determined that Bella is a variable interest entity for which we are the primary beneficiary. As such, we have consolidated Bella in our accounts.

As further discussed in Note 15, we hold equity and subordinated debt investments in ALS and AerFunding. ALS and AerFunding are variable interest entities and we, as their primary beneficiaries under FIN 46(R), consolidate the accounts of ALS and AerFunding in our accounts since their inception dates.

Investments in unconsolidated joint ventures

In May 2006, we signed a joint venture agreement with China Aviation Supplies Import and Export Group Corporation and affiliates of Calyon establishing AerDragon. AerDragon is 50% owned by China Aviation and 25% owned by each of us and Calyon. The joint venture did not own any aircraft at December 31, 2006, but purchased an aircraft from Airbus in February 2007 through an assignment of our purchase right under our 1999 Forward Order. We provide aircraft management services to AerDragon in return for fees. As of December 31, 2006, we have determined that AerDragon is not a variable interest entity and accordingly, we account for our investment in AerDragon according to the equity method.

Maintenance adjustment

On September 8, 2006, the Financial Accounting Standards Board issued FSP No. AUG AIR-1 "*Accounting for Planned Major Maintenance Activities*" ("FSP"). The FSP amends certain provisions in the AICPA Industry Audit Guide, "Audit of Airlines" and is applicable for our financial year beginning January 1, 2007. The FSP eliminates the "accrue in advance" methodology in accounting for certain future maintenance payments. As a result of the FSP, our previous method of accruing for the payment of top-up or lessor contribution obligations at the signing of a lease is no longer permitted. Accordingly, we have adjusted our historical financial statements in accordance with Statement of Financial Accounting Standards No. 154 "*Accounting Changes and Error Corrections"* ("FAS 154") to reflect the application of the new policy for top-up and lessor contribution obligations. Under our new policy, we will recognize an expense at the time of the occurrence of a lessor contribution or top-up payment, except in instances where we have established an accrual as an assumed liability for such payment in connection with the purchase of an aircraft with a lease attached.

We have adjusted our historical financial statements to reflect the application of this change in accounting policy. The table below summarizes the impact of the adjustment on our financial statement line items for all periods presented.

AerCap B.V.	Year ended December 31, 2004 As Originally Reported	As Adjusted	Effect of Change
Income Statement:			
Leasing expenses	$ 30,536	$ 32,452	$ 1,916
Loss from continuing operations before income taxes and minority interest	(105,194)	(107,110)	(1,916)
Provision for income taxes	(168)	224	392
Net loss	(105,362)	(106,886)	(1,524)
Basic and diluted loss per share	(143.12)	(145.19)	(2.07)
Statement of Cash Flow:			
Net loss	(105,362)	(106,886)	(1,524)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Deferred taxes	(1,799)	(2,191)	(392)
Change in assets and liabilities:			
Accounts payable and accrued expenses, including accrued maintenance liability, lessee deposits	(42,059)	(40,143)	1,916
Net cash provided by operating activities	91,933	91,933	—
Statement of Shareholders' Equity:			
Beginning retained earnings	(201,222)	(157,694)	43,528

AerCap B.V.	Six months ended June 30, 2005 As Originally Reported	As Adjusted	Effect of Change
Income Statement:			
Lease revenue	$ 175,333	$ 162,155	$ (13,178)
Sales revenue	79,574	75,822	(3,752)
Leasing expenses	9,688	15,348	5,660
Income from continuing operations before income taxes and minority interest	37,827	15,237	(22,590)
Provision for income taxes	(4,127)	556	4,683
Net income	33,700	15,793	(17,907)
Basic and diluted earnings per share	45.78	21.45	(24.33)
Statement of Cash Flow:			
Net income	33,700	15,793	(17,907)
Adjustments to reconcile net income to net cash provided by operating activities:			
Deferred taxes	3,505	(1,178)	(4,683)
Change in assets and liabilities:			
Accounts payable and accrued expenses, including accrued maintenance liability, lessee deposits	(909)	21,681	22,590
Net cash provided by operating activities	107,275	107,275	—

AerCap Holdings N.V.	As of December 31, 2005 and Period from June 27, 2005 to December 31, 2005		
	As Originally Reported	As Adjusted	Effect of Change
Balance Sheet:			
Deferred tax asset	99,346	99,312	(34)
Accrued maintenance liability	150,322	150,190	(132)
Income Statement:			
Leasing expenses	12,213	12,081	(132)
Income from continuing operations before income taxes and minority interest	60,233	60,365	132
Provision for income taxes	(10,570)	(10,604)	(34)
Net income	49,663	49,761	98
Basic and diluted earnings per share	0.63	0.64	0.01
Statement of Cash Flow:			
Net income	49,663	49,761	98
Adjustments to reconcile net income to net cash provided by operating activities:			
Deferred taxes	10,101	10,135	34
Change in assets and liabilities:			
Accounts payable and accrued expenses, including accrued maintenance liability, lessee deposits	5,727	5,595	(132)
Net cash provided by operating activities	109,238	109,238	—

AerCap Holdings N.V.	As of December 31, 2006 and Year ended December 31, 2006		
	As Originally Reported	As Adjusted	Effect of Change
Balance Sheet:			
Deferred tax asset	101,477	96,521	(4,956)
Accrued maintenance liability	285,788	259,739	(26,049)
Income Statement:			
Leasing expenses	47,394	21,477	(25,917)
Income from continuing operations before income taxes and minority interest	103,732	129,649	25,917
Provision for income taxes	(16,324)	(21,246)	(4,922)
Net income	87,996	108,991	20,995
Basic and diluted earnings per share	1.11	1.38	0.27
Statement of Cash Flow:			
Net income	87,996	108,991	20,995
Adjustments to reconcile net income to net cash provided by operating activities:			
Deferred taxes	16,089	21,011	4,922
Change in assets and liabilities:			
Accounts payable and accrued expenses, including accrued maintenance liability, lessee deposits	124,853	98,936	(25,917)
Net cash provided by operating activities	348,379	348,379	—

Risks and uncertainties

We are dependent upon the viability of the commercial aviation industry, which determines our ability to service existing and future operating leases of our aircraft and engines and our ability to sell aircraft and engines parts. The global airline industry has experienced passenger growth in the last two years, which has led to increased demand for new aircraft and a strengthening of lease rates in most aircraft categories. The continued growth of the global aviation industry is dependent on several factors, most notably sustained global GDP growth and price stability in the oil markets. Substantial increases in jet kerosene prices in recent years has caused a depression in airline earnings and in some cases liquidity shortages. The impact of continued or rising oil prices as well as overcapacity and high levels of competition in some geographical markets may create occasional unscheduled lease returns and possible supply surpluses, which may create pressure on rentals and aircraft and engine values. The value of the largest asset on our balance sheet—flight equipment held for operating leases—is subject to fluctuations in the values of commercial aircraft and engines worldwide. A material decrease in aircraft or engine values could have a downward effect on lease rental rates and residual values and may require that the carrying value of our flight equipment be materially reduced. In addition, if we are not able to sell our existing parts and engine inventory, we may be required to reduce the carrying value of such inventory through impairment charges.

The values of trade receivables, notes receivable, intangible lease premium assets and the accrual for onerous contracts are dependent upon the financial viability of related lessees, which is directly tied to the health of the commercial aviation market worldwide.

We have significant tax losses carried forward in some of our Irish and Swedish subsidiaries, which are recognized as tax assets on our balance sheets. The recoverability of these assets is dependent upon the ability of the Irish and Swedish entities to generate a certain level of taxable income in the future. If those entities cannot generate such taxable income, we will not realize the value of those tax assets and a corresponding valuation allowance and tax charge will be required.

We expect to fund a significant portion of our forward order delivery obligations (Note 8) through borrowings secured by the related aircraft. The unavailability to us of such secured borrowings at the time of delivery could have a material impact on our ability to meet our obligations under our forward order contracts. If we cannot meet our obligations under such contracts, we will not recover the value of prepayments on flight equipment on our balance sheets and may be subject to other contract breach damages.

We periodically perform reviews of the carrying values of our aircraft and customer receivables, the recoverable value of deferred tax assets and the sufficiency of accruals and provisions, substantially all of which are sensitive to the above risks and uncertainties.

2. Summary of significant accounting policies

Basis for presentation

Our financial statements are presented in accordance with accounting principles generally accepted in the United States of America.

We consolidate all companies in which we have a direct and indirect legal or effective control and all variable interest entities for which we are deemed the primary beneficiary under FIN 46R. All intercompany balances and transactions with consolidated subsidiaries have been eliminated. The results of consolidated entities are included from the effective date of control or, in the case of variable interest entities, from the date that we are or become the primary beneficiary. The results of subsidiaries sold or otherwise deconsolidated are excluded from the date that we cease to control the subsidiary or, in the case of variable interest entities, when we cease to be the primary beneficiary.

Certain reclassifications have been made to prior years to reflect the current year presentation.

Other investments in which we have the ability to exercise significant influence and joint ventures are accounted for under the equity method of accounting.

The consolidated financial statements are stated in United States dollars, which is our functional currency.

As a result of the 2005 Acquisition, the assets and liabilities of AerCap B.V. are stated at their fair values at the acquisition date. The consolidated financial statements of the predecessor reflect historical cost. The consolidated financial statements show both the predecessor accounts and successor accounts. Due to these different bases of accounting, predecessor and successor amounts are not directly comparable.

Use of estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. For us, the use of estimates is or could be a significant factor affecting the reported carrying values of flight equipment, inventory, goodwill, investments, trade and notes receivable, deferred tax assets and accruals and reserves. Management utilizes professional appraisers and valuation experts, where possible, to support estimates, particularly with respect to flight equipment. Despite management's best efforts to accurately estimate such amounts, actual results could materially differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents include cash and highly liquid investments with an original maturity of three months or less.

Restricted cash

Restricted cash includes cash held by banks that is subject to withdrawal restrictions.

Trade receivables

Trade receivables represent unpaid, current lease obligations of lessees under existing lease contracts. Allowances are made for doubtful accounts where it is considered that there is a significant risk of non-recovery. The assessment of risk of non-recovery is primarily based on the extent to which amounts outstanding exceed the value of security held, together with an assessment of the financial strength and condition of a debtor and the economic conditions persisting in the debtor's operating environment.

Flight equipment held for operating leases, net

Flight equipment held for operating leases, including aircraft, is stated at cost less accumulated depreciation and impairment. Costs incurred in the acquisition of aircraft or related leases are included in the cost of the flight equipment and depreciated over the useful life of the equipment. In instances where the purchase price includes additional consideration which can be allocated to the value of an acquired lease containing above market terms, such allocated cost is amortized over the term of the related lease. The cost of improvements to flight equipment are normally expensed unless the improvement materially increases the long-term value of the flight equipment or extends the useful life of the flight equipment. In instances where the increased value materially benefits the existing lease, the cost is capitalized and such capitalized cost is depreciated over the life of the lease. Otherwise, the capitalized cost is depreciated over the remaining useful life of the aircraft. Flight equipment acquired is depreciated over the assets' useful life, based on 25 years from the date of manufacture, using the straight-line method to the estimated residual value. The current estimates for residual (salvage) values for most aircraft types are 15% of original manufacture cost.

The estimates of useful lives are as follows:

Stage III Aircraft	20-25 years
Turboprop Aircraft	20 years

We depreciate current production model engines on a straight-line basis over a 15-year period from the acquisition date to an estimated residual value. Out-of-production engines are depreciated on a straight-line basis over an estimated useful life ranging from five to seven years to an estimated residual value. The carrying value of flight equipment that is designated for part-out is transferred to the inventory pool.

We apply SFAS 144, "*Accounting for the Impairment or Disposal of Long-Lived Assets*", which addresses financial accounting and reporting for the impairment of long-lived assets and for long-lived assets to be disposed of and requires that all long-lived assets be evaluated for impairment where circumstances indicate that the carrying amounts of such assets may not be recoverable. The review for recoverability includes an assessment of the estimated future cash flows associated with the use of an asset and its eventual disposition. If the sum of the expected future cash flows (undiscounted and without interest charges) is less than the carrying amount of the asset, an impairment loss is recognized. The loss is measured as the excess of the carrying amount of the impaired asset over its fair value.

Fair value reflects the present value of cash expected to be received from the aircraft in the future, including its expected residual value discounted at a rate commensurate with the associated risk. Future cash flows are assumed to occur under then current market conditions and assume adequate time for a sale between a willing buyer and a willing seller. Expected future lease rates are based on all relevant information available, including current contracted rates for similar aircraft, appraisal data and industry trends. Residual (salvage) value assumptions generally reflect an aircraft's booked residual value, except where more recent industry information indicates a different value is appropriate.

Net investment in direct finance leases

Net investment in direct finance leases consists of contracted lease receivables plus the expected residual value on lease termination date of equipment under finance lease less unearned income. Initial unearned income for newly acquired aircraft under finance lease is the amount by which the lease contract receivables plus the expected residual value exceeds the initial investment in the leased equipment at lease inception. In instances where the terms of a new aircraft lease agreement require the classification of the aircraft and related lease from a previous operating lease to a direct finance lease, initial unearned income under the finance lease is the difference between the lease contract receivable and the fair value of the equipment at the time of the new agreement. Unearned income is recognized as lease revenue over the lease term in a manner which produces a constant rate of return on the net investment in the finance lease.

Notes receivable

Notes receivable arise primarily from (i) the restructuring and deferring of trade receivables from lessees experiencing financial difficulties and (ii) the sale of aircraft to lessees where we finances a

portion of the aircraft purchase price through an interest bearing note secured by a security interest in the aircraft sold. Allowances are made for doubtful accounts where there is a significant risk of non-recovery of the note receivable. The assessment of the risk of non-recovery is primarily based on the extent to which amounts outstanding exceed the value of security held, together with an assessment of the financial strength and condition of a debtor and the economic conditions persisting in the debtor's operating environment.

Capitalization of interest

We capitalize interest related to progress payments made in respect of flight equipment on forward order and add such amount to prepayments on flight equipment. The amount of interest capitalized is the actual interest costs incurred on funding specific to the progress payments or the amount of interest costs which could have been avoided in the absence of such progress payments.

Investments

We may hold debt and equity interests in third parties, including interests in asset securitization vehicles. In instances where those interests are in the form of debt securities or equity securities that have readily determinable fair values, we apply the provisions of SFAS 115, "*Accounting for Certain Investments in Debt and Equity Securities*" and designate each security as either held to maturity or available for sale securities.

We report equity investments where the fair value is not readily determinable at cost, reduced for any other than temporary impairment.

We evaluate our investments in all debt and equity instruments regularly for other than temporary impairments in their carrying value and record a write-down to estimated fair market value as appropriate.

Goodwill

Goodwill represents the excess of the cost of acquisition of subsidiaries over the fair value of identifiable net assets at the dates of acquisition. Goodwill is not amortized, but is tested for impairment annually or more often when events or circumstances indicate that there may have been impairment.

Definite-lived intangible assets

We recognize intangible assets acquired in a business combination in accordance with the principles of SFAS 141. The identified intangible assets are recorded at fair value on the date of acquisition. The rate of amortization of definite-lived intangible assets is calculated with reference to the period over which we expect to derive economic benefits from such assets. In instances where the purchase of flight equipment or the allocated fair value in a business combination includes consideration which can be allocated to the value of an acquired lease containing above market terms, such allocated costs is recognized as an intangible lease premium asset and amortized on a straight-line basis over the term of the related lease as a reduction of lease revenue. Similarly, we recognize a lease deficiency liability as part of accrued expenses and other liabilities for lease contracts where the terms

of the lease contract are unfavorable compared to market terms and amortize the liability over the term of the related lease as an addition to lease revenue. We consider lease renewals on a lease by lease basis. We generally do not assume lease renewals in the determination of the lease premiums or deficiencies given a market participant would expect the lessee to renegotiate the lease on then market terms. We evaluate all definite-lived intangible assets for impairment in accordance with SFAS 144.

Inventory

Inventory, which consists exclusively of finished goods, is valued at the lower of cost or market. Cost is primarily determined using the specific identification method for individual part purchases and whole engines and on an allocated basis for dismantled engines, aircraft, and bulk inventory purchases using the relationship of the cost of the dismantled engine, aircraft or bulk inventory purchase to estimated remaining sales value at the time of purchase. Inventories are comprised primarily of engines, aircraft and engine parts, rotables and expendables. Expenditures required for the recertification or betterment of flight equipment are capitalized in inventory and are expensed as the parts associated with such costs are sold. Inventory acquired in the purchase of a subsidiary is accounted for in accordance with SFAS 141 at estimated selling prices less the sum of (a) costs of disposal and (b) a reasonable profit allowance for the selling effort of the acquiring entity.

Derivative financial instruments

We use derivative financial instruments to manage our exposure to interest rate risks and foreign currency risks. Derivatives are accounted for in accordance with SFAS 133, "*Accounting for Derivative Instruments and Hedging Activities*".

All derivatives are recognized on the balance sheet at their fair value. Changes in fair values between periods are recognized as a reduction or increase in interest expense on the income statement, as we do not currently apply hedge accounting to our derivatives. Net cash received or paid under derivative contracts, where material in any reporting period, is classified as operating cash flow in our consolidated cash flow statements.

Deferred income taxes (assets and liabilities)

We report deferred taxes of our taxable subsidiaries resulting from the temporary differences between the book values and the tax values of assets and liabilities using the liability method. The differences are calculated at nominal value using the enacted tax rate applicable at the time the temporary difference is expected to reverse. Deferred tax assets attributable to unutilized losses carried forward or other timing differences are reduced by a valuation allowance if it is more likely than not that such losses will not be utilized to offset future taxable income.

Other assets

Other assets consist of prepayments, debt issuance costs, interest and other receivables and other tangible fixed assets. Other tangible fixed assets consist of computer equipment, motor vehicles and office furniture and are valued at acquisition cost and depreciated at rates between 16% to 33% per annum over the assets' useful lives using the straight-line method. We capitalize costs incurred in

arranging financing as debt issuance costs. Debt issuance costs are amortized to interest expense over the term of the related financing.

Accrued maintenance liability

On September 8, 2006, the Financial Accounting Standards Board issued the FSP No. AUG AIR-1 "*Accounting for Planned Major Maintenance Activities*" (the "FSP"). The FSP amends certain provisions in the AICPA Industry Audit Guide, "Audit of Airlines", and applicable for our financial year beginning January 1, 2007.

In all of our leases, lessees are responsible for maintenance and repairs of our flight equipment and related expenses during the term of the lease. In many operating lease and finance lease contracts, the lessee has the obligation to make periodic payments of supplemental rent which are calculated with reference to the utilization of airframes, engines and other major life-limited components during the lease. In the majority of these types of leases, we do not recognize such supplemental rent received as revenue, but as an accrued maintenance liability. In these leases, upon lessee presentation of invoices evidencing the completion of qualifying maintenance on the flight equipment, we make a payment to the lessee up to the amount of supplemental rents collected and charge such payment against the existing accrued maintenance liability. In shorter-term lease contracts (primarily engine lease contracts) where the terms of the lease are designed specifically to allow us to directly manage the occurrence, timing and associated cost of qualifying maintenance work on the flight equipment, we recognize supplemental rents collected during the lease as lease revenue and not as accrued maintenance liability. For flight equipment subject to these shorter-term contracts, we record a charge to leasing expenses at the time maintenance work is performed on the flight equipment.

In most lease contracts not requiring the payment of supplemental rents, the lessee is required to re-deliver the aircraft in a similar maintenance condition (normal wear and tear excepted) as when accepted under the lease, with reference to major life-limited components of the aircraft. To the extent that such components are redelivered in a different condition than at acceptance, there is normally an end-of-lease compensation adjustment for the difference at redelivery. We recognize receipts of end-of-lease compensation adjustments as lease revenue when received and payments of end-of-lease adjustments as leasing expenses when paid.

In addition, in both types of contracts, we may be obligated to make additional payments to the lessee for maintenance related expenses (lessor maintenance contributions or top-ups) primarily related to usage of major life-limited components occurring prior to the lease. We record a charge to leasing expenses at the time of the occurrence of a lessor contribution or top-up payment, except in instances where we have established an accrual as an assumed liability for such payment in connection with the purchase of an aircraft with a lease attached, in which case such payments are charged against the existing accrual.

For all of our lease contracts, any amounts of accrued maintenance liability existing at the end of a lease are released and recognized as lease revenue at lease termination. When flight equipment is sold, the portion of the accrued maintenance liability which is not specifically assigned to the buyer is released from the balance sheet and recognized as sales revenue as part of the sale of the flight equipment.

Accrual for onerous contracts

We make an accrual for onerous contracts where the undiscounted costs of performing under a contract or series of related contracts exceed the undiscounted benefits expected to be derived from such contracts. In connection with a purchase business combination, accruals are recorded at the present value of such differences.

Revenue recognition

As lessor, we lease flight equipment principally under operating leases and report rental income ratably over the life of the lease as it is earned. We account for lease agreements that include step rent clauses on a straight line basis. Lease agreements for which base rent is based on floating interest rates are included in minimum lease payments based on the floating interest rate existing at the inception of the lease; any increases or decreases in lease payments that result from subsequent changes in the floating interest rate are contingent rentals and are recorded as increases or decreases in lease revenue in the period of the interest rate change. In certain cases, leases provide for rental payments based on usage. The usage may be calculated based on hourly usage or on the number of cycles operated, depending on the lease contract. We cease revenue recognition on a lease contract when the collectibility of rental payments is no longer reasonably assured. For past-due rental payments which have been recognized as revenue, provisions are established on the basis of management's assessment of collectibility and to the extent such rental payments exceed related security deposits held, and are recorded as expenses on the income statement.

Most of our lease contracts require payment in advance. Rentals received, but unearned under these lease agreements are recorded as deferred revenue on the balance sheet.

Sales revenues originate from the sale of aircraft, engines and parts and are recognized when the delivery of the relevant asset is complete and the risk of loss has transferred to the buyer.

Revenues from direct finance leases are recognized based on the interest method to produce a level yield over the life of the finance lease. Expected unguaranteed residual values of leased assets are based on our assessment of residual values and independent appraisals of the values of leased assets remaining at expiration of the lease terms.

Revenue from secured loans, notes receivables and other interest bearing instruments is recognized on an effective yield basis as interest accrues under the associated contracts. Revenue from lease management fees is recognized as income as it accrues over the life of the contract. Revenue from the receipt of early lease termination penalties is recorded at the time cash is received or when the lease is terminated, if collection is reasonably assured. Other revenue includes any net gains we generate from the sale of aircraft related investments, such as our subordinated interests in securitization vehicles and notes, warrants or convertible securities issued by our lessees, which we receive from lessees as compensation for amounts owed to us in connection with lease restructurings.

Pensions

We operate a number of non-contributory defined benefit plans and defined contribution schemes for substantially all of our employees. Defined benefit plan obligations and contributions are

determined periodically by qualified actuaries. We recognize pension liabilities and prepaid pension costs in accordance with SFAS No. 158, "*Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans—an amendment of SFASB Statements No. 87, 88, 106, and 132 (R)".*

Share-based compensation

We account for share-based compensation in accordance with FAS 123R, "*Share-based payment". Accordingly, we begin to recognize compensation expense when it becomes probable that participants in share-based incentive plans who hold direct or indirect equity interests in our shares or options to acquire such shares will be able to achieve fair value at a point in time in the future. The total amount of such expense recognized over future periods is determined by reference to the fair value of the share or share option on the date of grant. The amount of expense recognized in any given period is determined on a straight line basis with reference to the timing of lapsing of restrictions on restricted shares and vesting on share options, including the lapsing of repurchase rights which allow other parties to repurchase participants' shares at less than fair market value.*

Foreign currencies

Foreign currency transactions are translated into U.S. dollars at the exchange rate prevailing at the time the transaction took place or at the rates of exchange under related forward contracts where such contracts exist. Subsequent receivables or payables resulting from such foreign currency transactions are translated into U.S. dollars at the exchange rate prevailing at each balance sheet date. All resulting exchange gains and losses are taken to the income statement.

Variable interest entities

We account for investments in variable interest entities in accordance with Revised Interpretation No. 46 ("FIN 46(R)"), "*Consolidation of Variable Interest Entities*" and its predecessor, Interpretation 46 ("FIN 46"), "*Consolidation of Variable Interest Entities, an interpretation of ARB No. 51*". We adopted FIN 46 in January 2003 and FIN 46(R) in January 2005.

Earnings Per Share

Earnings per share is presented in accordance with SFAS 128, *Earnings Per Share* which requires the presentation of "basic" earnings per share and "diluted" earnings per share. Basic earnings per share is computed by dividing income available to common shareholders by the weighted-average shares of common stock outstanding during the period. For the purposes of calculating diluted earnings per share, the denominator includes both the weighted average number of shares of common stock outstanding during the period and the weighted average number of potential common stock, such as stock options.

3. Restricted cash

Restricted cash consisted of the following at December 31:

	2005	2006
Cash received under lease agreements restricted per the terms of the relevant lease and cash securing our obligations under debt and derivative instruments	$ 105,060	$ 72,523
Cash securing our obligations under the LILO head leases (Note 16) and cash securing the guarantee of lease obligations/indebtedness of a LILO sublessee (Note 14)	49,710	38,074
Other	2,960	1,680
	$ 157,730	$ 112,277

Restricted cash securing our obligations under debt includes amounts related to the ALS securitization debt (Note 15), which requires that cash be placed in liquidity reserves.

4. Trade receivables, net of provisions

Trade receivables consisted of the following at December 31:

	2005	2006
Trade receivables	$ 9,980	$ 27,554
Allowance for doubtful accounts	(3,405)	(2,496)
	$ 6,575	$ 25,058

Trade receivables include amounts invoiced to lessees in respect of lease rentals and maintenance reserves.

The change in the allowance for doubtful trade receivables is set forth below:

	AerCap B.V.		AerCap Holdings N.V.	
	Year ended December 31, 2004	Six months ended June 30, 2005	Period from June 27, 2005 to December 31, 2005	Year ended December 31, 2006
Provision at beginning of period	$ 20,535	$ 23,255	$ —	$ 3,405
Expense for doubtful accounts receivable	636	(5,906)	1,225	320
Reclassification to notes receivable allowance		(9,961)	—	(2,326)
Other(*)	2,084	(4,596)	2,180	1,097
Provision at the end of period	$ 23,255	$ 2,792	$ 3,405	$ 2,496

* Other includes recovery of written-off receivables.

5. Flight equipment held for operating leases, net

Movements in flight equipment held for operating leases during the periods presented were as follows:

	AerCap B.V.		AerCap Holdings N.V.	
	Year ended December 31, 2004	Six months ended June 30, 2005	Period from June 27, 2005 to December 31, 2005 (adjusted)	Year ended December 31, 2006 (adjusted)
Net book value at beginning of period	$ 2,484,850	$ 2,748,347	$ —	$ 2,189,267
Fair value of flight equipment acquired in business combinations	—	—	2,085,221	158,820
Additions	406,406	93,244	157,104	928,468
Depreciation	(124,454)	(65,963)	(45,537)	(106,240)
Disposals	(8,784)	(52,783)	(7,521)	(195,273)
Transfers to/from direct finance leases	(9,671)	(4,748)	—	—
Other(a)	—	—	—	(8,263)
Net book value at end of period	$ 2,748,347	$ 2,718,097	$ 2,189,267	$ 2,966,779
Accumulated depreciation/impairment at December 31, 2004, 2005 and 2006	$ (970,565)	—	$ (45,537)	$ (151,958)

(a) As discussed further in Note 15, we settled a capital lease obligation at a discount of $8,263. The discount was applied to reduce the net book value of the related aircraft.

At December 31, 2006 we owned 131 aircraft and 51 engines, which we leased under operating leases to 79 lessees in 41 countries. The geographic concentrations of leasing revenues are set out in Note 20.

Prepayments on flight equipment (including related capitalized interest) of $66,638, $18,564, $32,914 and $48,971 have been applied against the purchase of aircraft during the year ended December 31, 2004, the six months ended June 30, 2005, the period from June 27 to December 31, 2005 and the year ended December 31, 2006, respectively.

The following table indicates our contractual commitments for the prepayment and purchase of flight equipment in the periods indicated as of December 31, 2006:

	2007	2008	2009	2010
Capital expenditures	$ 456,158	$ 413,497	$ 1,234,867	$ 1,462,116
Pre-delivery payments	116,796	383,409	397,033	92,323
	$ 572,954	$ 796,906	$ 1,631,900	$ 1,554,439

Our current operating lease agreements expire over the next eight years. The contracted minimum future lease payments receivable from lessees for equipment on non-cancelable operating leases at December 31, 2006 were as follows:

	Contracted minimum future lease receivables
2007	$ 427,002
2008	402,915
2009	289,095
2010	204,586
2011	152,558
Thereafter	285,019
	$ 1,761,175

The titles to certain aircraft leased in the United States are held by a U.S. trust company as required by U.S. law. We are the beneficial owner of these aircraft and the aircraft are recorded under flight equipment held for operating lease on our consolidated balance sheets. The trust company is administered by a bank. The aircraft are segregated from the bank's assets and will not be considered part of the bank's bankruptcy estate in the event of a trustee bankruptcy.

6. Net investment in direct finance leases

Net investment in direct finance leases consisted of the following at December 31, 2005:

	2005
Gross finance lease rentals receivable	$ 1,123
Unearned income	(51)
Net investment in direct finance leases	$ 1,072

The entire amount of finance lease rentals receivable at December 31, 2005 was received in 2006.

7. Notes receivable

Notes receivable consisted of the following at December 31:

	2005	2006
Secured notes receivable	$ 4,146	$ 1,092
Notes receivable in defeasance structures	146,772	162,808
Notes receivable from lessee restructurings	48,265	3,551
Allowance for doubtful accounts	(2,563)	—
	$ 196,620	$ 167,451

The minimum future receipts under notes receivable at December 31, 2006 were as follows:

	Minimum future notes receivable
2007	$ 15,070
2008	43,080
2009	5,249
2010	104,052
	$ 167,451

The change in the allowance for doubtful notes receivable is set forth below:

	AerCap B.V.		AerCap Holdings N.V.	
	Year ended December 31, 2004	Six months ended June 30, 2005	Period from June 27, 2005 to December 31, 2005	Year ended December 31, 2006
Provision at beginning of period	$ 51,291	$ 51,500	$ —	$ 2,563
Expense for doubtful notes receivable	(2)	9,066	1,777	(506)
Reclassification from trade receivable allowance	—	9,961	—	2,326
Other(a)	211	—	786	(4,383)
Provision at the end of period	$ 51,500	$ 70,527	$ 2,563	$ —

(a) Other includes recovery of written-off receivables.

8. Prepayments on flight equipment

In 1999, we signed a forward order contract with Airbus for the acquisition of up to 32 new aircraft between 2004 and 2009 ("1999 Forward Order"). Of that original order, one aircraft delivery was cancelled pursuant to cancellation rights granted by Airbus and 16 aircraft have been delivered through December 31, 2006. In January 2006, we exercised cancellation rights on a further six aircraft deliveries originally scheduled for delivery in 2008 and 2009, leaving nine firm aircraft remaining under the contract to be delivered in 2007.

In 2005, through a wholly-owned special purpose company ("AerVenture"), we signed a letter of intent with Airbus for the forward purchase of 70 aircraft ("2005 Forward Order"). As discussed above, we consolidate the accounts of AerVenture as it is a variable interest entity for which we are the primary beneficiary.

In December 2006, we placed an order with Airbus to acquire 20 new A330-200 widebody aircraft ("A330 Forward Order"). The delivery schedule for the A330 Forward Order includes ten aircraft to be delivered in 2009 and ten aircraft to be delivered in 2010.

In connection with all three forward order contracts, we are required to make scheduled prepayments toward these future deliveries (see table in Note 5). A total amount of interest of $7,850, $3,084, $2,767 and $6,236 was capitalized with respect to these payments for the year ended December 31, 2004, the six months ended June 30, 2005, the period from June 27, 2005 to December 31, 2005 and the year ended December 31, 2006, respectively. As described in Note 16, because the contracted purchase prices of the aircraft at delivery under the 1999 Forward Order are in excess of the anticipated fair market value of the aircraft at delivery, we recognized an accrual for onerous contracts with respect to this forward order at the time of the 2005 Acquisition.

Following is a summary of the movements in prepayments on flight equipment during the year ended December 31, 2004, the six months ended June 30, 2005, the period from June 27, 2005 to December 31, 2005 and the year ended December 31, 2006:

	AerCap B.V.		AerCap Holdings N.V.	
	Year ended December 31, 2004	Six months ended June 30, 2005	Period from June 27 to December 31, 2005	Year ended December 31, 2006
Net book value at beginning of period	$ 160,624	$ 135,202	$ —	$ 115,657
Fair value of acquired prepayments	—	—	119,200	—
Prepayments made	33,366	19,711	26,604	93,708
Prepayments applied against the purchase of flight equipment	(66,638)	(18,564)	(32,914)	(48,971)
Interest capitalized	7,850	3,084	2,767	6,236
Net book value at end of period	$ 135,202	$ 139,433	$ 115,657	$ 166,630

9. Investments

Investments consist of the following at December 31:

	2005	2006
Subordinated debt investment in single aircraft owning company	$ 3,000	$ 3,000
25% equity investment in unconsolidated joint venture (AerDragon)	—	15,000
	$ 3,000	$ 18,000

Our subordinated debt investment in a single aircraft owning company is accounted for at cost. Our 25% equity investment in an unconsolidated joint venture is accounted for under the equity method.

10. Intangible assets

The following table presents details of amortizable intangible assets and related accumulated amortization and goodwill:

	As of December 31, 2005			
	Gross	Accumulated amortization	Other	Net
Lease premiums	$ 45,134	$ (6,563)	$ —	$ 38,571

	As of December 31, 2006			
	Gross	Accumulated amortization	Other	Net
Lease premiums	$ 56,510	$ (16,869)(a)	$ (29,064)(b)	$ 10,577
Customer relationships—parts	19,800	(890)		18,910
Customer relationships—engines	3,600	(883)		2,717
FAA certificate	1,100	(50)		1,050
Non-compete agreement	1,100	(125)		975
Net book value at end of period	$ 82,110	$ (18,817)	$ (29,064)	$ 34,229

(a) Includes ($1,382) from the write-off of lease premium in connection with the sale of related aircraft.

(b) Reduction of $17,431 and $5,386 inclusive of deferred tax effect determined through an iterative calculation due to elimination of valuation allowances in Ireland and the U.S., respectively existing at the date of the 2005 Acquisition (Note 17).

The following table presents the changes to amortizable intangible assets during the periods indicated:

	Period from June 27, 2005 to December 31, 2005(c)	Year ended December 31, 2006
Net carrying value at beginning of period	$ —	$ 38,571
Lease premiums acquired in 2005 Acquisition	45,134	—
Intangible assets acquired in AT Acquisition	—	25,600
Purchases of intangible lease premiums	—	11,376
Amortization	(6,563)	(10,872)
Disposals	—	(1,382)
Write-off of intangibles from decrease in tax valuation allowance (note 17)	—	(29,064)
Net carrying value at end of period	$ 38,571	$ 34,229

(c) No intangible assets existed prior to this period.

10. Intangible assets (continued)

Future amortization of the intangible assets over the terms of their useful lives will be as follows:

	Amortization of intangible assets
2007	$ 5,930
2008	5,791
2009	5,842
2010	4,012
2011	2,716
Thereafter	9,938
	$ 34,229

The remaining weighted average amortization period for the amortizable intangible assets is 90 months.

We recognized goodwill of $38,199 in the AT Acquisition. As described below in Note 17, as a result of the AT acquisition, we reduced goodwill by $31,423 in connection with the reduction of a valuation allowance against our US tax assets.

11. Inventory

We had no inventory at December 31, 2005. Following are the major classes of inventory at December 31, 2006:

Engine and airframe parts	$ 66,486
Work-in-process	3,971
Airframes	2,005
Engines	10,349
	$ 82,811

12. Derivative assets and liabilities

We use a variety of derivative instruments to manage our exposure to interest rate and foreign currency risks. These derivative products can include interest rate caps, swaps, options and forward contracts.

As of December 31, 2006 our interest rate swaps and caps had notional amounts of $2,500,000 and a fair value of $17,569. The variable benchmark interest rates associated with these instruments ranged from one to six-month LIBOR.

We have not applied hedge accounting under SFAS 133, "*Accounting for Derivatives*", to any of our derivatives. The change in fair value of our derivatives, therefore, was recorded in income from

continuing operations before income taxes and minority interests as a reduction of interest expense as specified below:

AerCap B.V.		AerCap Holdings N.V.	
Year ended December 31, 2004	Six months ended June 30, 2005	June 27 to December 31, 2005	Year ended December 31, 2006
$ 19,913	$ 11,592	$ 20,813	$ 7,874

Our agreement with the derivative counterparties requires a two-way cash collateralization of derivative fair values, except for those owned by ALS. Cash paid and received under such arrangements is included in restricted cash (note 3).

The maximum length of time over which we are hedging our exposure to the variability in future cash flows for forecasted transactions, excluding those forecasted transactions related to the payment of variable interest on existing financial instruments, is 2016.

13. Other assets

Other assets consisted of the following at December 31:

	2005	2006
Debt issuance costs	$ 36,510	$ 56,628
Other tangible fixed assets	2,431	12,437(a)
Receivables from aircraft manufacturer	5,884	4,228
Prepaid expenses	2,711	5,491
Other receivables	3,885	13,648
	$ 51,421	$ 92,432

(a) The increase in other tangible fixed assets and other receivables between 2005 and 2006 is due primarily to the acquisition of AeroTurbine.

Amortization of debt issuance costs was $835, $885, $566 and $11,777 for the year ended December 31, 2004, the six months ended June 30, 2005, the period from June 27 to December 31, 2005 and the year ended December 31, 2006, respectively. The unamortized debt issuance costs at December 31, 2006 amortize annually from 2007 through 2018.

14. Accrued expenses and other liabilities

Accrued expenses and other liabilities consisted of the following at December 31:

	2005	2006
Guarantee liability	$ 18,798	$ 15,668
Accrued expenses	31,294	42,681
Accrued interest	11,776	14,373
Lease deficiency	14,694	19,744
	$ 76,562	$ 92,466

Guarantee liability—In 1996, we terminated lease agreements with two head lessors covering 12 A320 aircraft under which we were obligated as head-lessee. In connection with this early termination, we assigned our rights as sublessor under sublease agreements covering the 12 aircraft to the respective head lessors.

In addition to the sublease assignments, we also issued guarantees to the head lessors covering the sublessee's obligations to the head lessors under the assigned subleases. We would be required to make payments under the guarantees if the sublessee were to default under the lease agreements with the head lessors. At December 31, 2006, the maximum amount which we could be required to pay is estimated at $31,074. The subleases and our obligations under the guarantees expire between the years 2007 and 2012. As referenced in Note 3, our potential obligations under the guarantees are secured by cash held in restricted bank accounts. This restricted cash is released back to us according to a set schedule as the sublessee fulfills its obligations under the leases.

We have recognized a liability equal to the estimated fair value of the guarantee since the time we became obligated for the guarantee as a result of a previous company acquisition. At the date of the 2005 Acquisition, we adjusted the fair value of the guarantee obligation in connection with the purchase accounting.

Lease deficiency—Lease deficiency represents lease rates for current lease contracts which are below current market rentals for the applicable aircraft at the time of purchase. The lease deficiency amortizes over the remaining term of the related lease agreements as a non-cash increase in lease revenue. The remaining weighted average amortization period for the lease deficiency is 29 months.

15. Debt

Debt consisted of the following as of December 31:

	2005	2006	Weighted average interest rate December 31, 2006	Maturity
ECA-guaranteed financings	$ 570,950	$ 567,900	5.49%	2007-2018
JOL financings	149,037	100,261	5.64%	2007-2015
Pre-delivery payment facility	—	8,130	7.00%	2007-2010
UBS revolving credit facility	—	234,577	7.84%	2007-2012
AT revolving credit facility	—	65,688	6.87%	2007-2011
GATX portfolio acquisition facility	—	218,399	6.79%	2007-2013
ALS securitization debt (G1, G2, C and D classes)	946,047	844,308	6.33%	2007-2016
Commercial bank debt	335,583	353,725	6.41%	2007-2019
Capital lease obligations	24,606	—	—	—
Capital lease obligations under defeasance structures	146,772	162,151	5.72%	2007-2010
	$ 2,172,995	$ 2,555,139		

The weighted average interest rate in the table above includes the impact of derivative instruments which we hold to hedge our exposure to interest rates.

Aggregate maturities of debt and capital lease obligations during the next five years and thereafter are as follows:

	Debt maturing
2007	$ 390,945
2008	277,676
2009	241,931
2010	316,128
2011	145,007
Thereafter	1,183,452
	$ 2,555,139

ECA-guaranteed financings—In April 2003, we entered into an $840,000 export credit facility ("ECA Facility") for the financing of up to 20 A320 Airbus Family aircraft up to December 31, 2005. Funding under the facility is provided by commercial banks, but the repayment is guaranteed by European export credit agencies ("ECAs"). In January 2006, the ECA Facility was amended and extended to cover an additional nine aircraft and its size increased to a maximum of $1,215,000 for a further three years. The terms of the lending commitment in the ECA Facility are such that the ECAs only approve funding for aircraft that are due for delivery on a six-month rolling basis and have no obligation to fund deliveries beyond that time frame. The margin over three-month Libor ranges from 0.25% for aircraft delivered under the original facility and 0.12% for those aircraft delivered following the January 2006 amendment. We are obligated to repay principal on ECA loans over a 12-year term. The ECA Facility contains certain net worth financial covenants, a breach of which would cause us to lose some of our operational flexibility under our leases, such as a requirement to grant pledges over certain bank accounts to the lenders under the ECA Facility. In addition, all loans under the ECA Facility contain change of control provisions that grant the lenders the right to prepayment of their loans in the event of a change of control affecting us, unless the lenders consent to the change of control.

The security structures of the ECA-guaranteed debt require that legal title to the aircraft be transferred to and held by a special purpose company controlled by the lenders. We have entered into head lease agreements on the subject aircraft which transfer the risk and rewards of ownership of the aircraft to us. Aircraft subject to these structures are recorded as flight equipment held for operating lease on our balance sheets. The obligations outstanding under the ECA financings are secured by a pledge of our shares to the lenders which hold legal title to the aircraft financed under the ECA Facility. The obligations of each of our aircraft-owning special purpose companies under the ECA Facility are guaranteed by us.

At December 31, 2006, we had financed 17 aircraft under the ECA Facility, plus four aircraft financed under ECA financings prior to the April 2003 facility agreement. The net book value of

aircraft pledged to the ECAs under the ECA Facility and the previous ECA loans was $598,366 at December 31, 2006.

JOL Financings—We have entered into several Japanese operating lease ("JOL") finance structures to finance aircraft acquisitions. Funding under these structures is provided through a combination of senior commercial bank debt and subordinated loans from Japanese investors. The interest rate on the subordinated loans is fixed and the interest rate on the senior loans are variable based on three- and six-month LIBOR with spreads ranging from 0.25% to 1.35%. The security structures of the JOL financings require that legal title to the aircraft be transferred to and held by a special purpose company controlled by the respective lenders. We have entered into head lease agreements on the subject aircraft which transfer the risks and rewards of ownership of the aircraft to us. Aircraft subject to these structures are recorded as flight equipment held for operating lease on our balance sheets. The obligations outstanding under the JOL financings are secured by a pledge of our shares to the lenders which hold legal title to the aircraft financed under the JOL financings. The obligations of each of the aircraft-owning special purpose companies under the JOL financings are guaranteed by us. All loans under the JOL financings contain change of control provisions that grant the lenders the right to prepayment of their loans in the event of a change of control, affecting us unless the lenders consent to the change of control. At December 31, 2006, we had financed three aircraft under JOL structures. The net book value of aircraft pledged in connection with the JOL financings was $89,671 at December 31, 2006.

Pre-delivery Payment Facility—Our consolidated joint venture, AerVenture, entered into a credit facility in 2006 with Calyon to finance a portion of the pre-delivery payments owed to Airbus in connection with AerVenture's purchase of 70 A320 aircraft from Airbus in an amount up to $118,900 ("AerVenture Facility"). Prior to drawing on the facility, AerVenture will pay, on average, 54% of the pre-delivery payment amount owed for each aircraft to be delivered in 2007, 60% of such amounts for each aircraft to be delivered in 2008 and 42% of such amount for each aircraft to be delivered in 2009. AerVenture must repay the lenders for the amounts drawn for the pre-delivery payment for each aircraft at the delivery date of that aircraft or, if the aircraft is not delivered on the scheduled delivery date, within three months of the scheduled delivery date. Borrowings under the AerVenture Facility are secured by, among other things, the partial assignment of the airframe and engine purchase agreements in respect of the 30 aircraft covered by the facility, including the right to take delivery of the aircraft where Calyon has provided the pre-delivery payments and the aircraft remains undelivered. The AerVenture Facility contains customary affirmative and financial covenants for secured financings. We have agreed to maintain a minimum of 25% of the shares of AerVenture until the AerVenture Facility is fully repaid. Under the AerVenture facility, AerVenture is required to maintain a minimum net worth and a debt to equity ratio below a specified threshold.

UBS Revolving Credit Facility—AerFunding 1 Limited ("AerFunding") is a special purpose company incorporated with limited liability in Bermuda. The share capital of AerFunding is owned 95% by a charitable trust and 5% by AerCap Ireland. AerFunding was formed for the purpose of acquiring used aircraft. AerFunding entered into a non-recourse senior secured revolving credit facility during 2006 in the aggregate amount of up to $1,000,000 with a syndicate of financial institutions led by UBS. The revolving loans under the credit facility are divided into three classes: class A loans, which have a maximum advance limit of $715,000, class B loans, which have a maximum advance limit of $180,000,

and class C loans, which have a maximum advance limit of $105,000. In addition to borrowings under the revolving credit facilities, AerFunding also issued subordinated notes to us in connection with each aircraft purchase. Borrowings under the revolving credit facility can be used to finance between 72% and 84% of the appraised value of the acquired aircraft or, in the case of Boeing 737NG and Airbus A320 family aircraft, between 85% and 86% of the lower of the purchase price and the appraised value of the acquired aircraft. In addition, the revolving credit facility may also be used to fund value enhancing expenditures and required liquidity reserves. All borrowings under the revolving credit facility are subject to the satisfaction of customary conditions and restrictions on the purchase of aircraft that would result in our portfolio becoming too highly concentrated, with regard to both aircraft type and geographical location. Borrowings under the revolving credit facility are secured by, among other things, security interests in and pledges or assignments of equity ownership and beneficial interests in all of the subsidiaries of AerFunding, as well as by AerFunding's interests in the leases of its assets.

The UBS revolving credit facility includes general and operating covenants that restrict additional indebtedness being incurred by the AerFunding subsidiaries that own the related aircraft, the payment of dividends and other limitations which are customary for such credit facilities.

At December 31, 2006, we had financed ten aircraft under the UBS revolving credit facility. The net book value of the ten aircraft pledged to lenders under the credit facility was $295,191 at December 31, 2006.

AeroTurbine Revolving Loan Facility—In connection with our initial public offering and the prepayment of AeroTurbine's then-existing senior and subordinated debt owed to Calyon with the proceeds of our initial public offering, we amended and restated AeroTurbine's credit facilities and increased the capacity under the revolving loan facility to $220,000. Borrowings under the revolving loan facility are secured by security interests in and pledges or assignments of all the shares and other ownership interests we held in AeroTurbine and its subsidiaries, as well as by all assets of AeroTurbine and its subsidiaries. The revolving loan facility contains a number of covenants that, among other things, restrict, subject to certain exceptions, the ability of AeroTurbine to incur additional indebtedness; create liens on assets, including assets financed with proceeds from the revolving loan facility; make advances, loans, extensions of credit, guarantees, capital contributions or other investments; engage in mergers or consolidations; engage in certain sale-leaseback transactions; change the business conducted by AeroTurbine and its subsidiaries; and make certain capital expenditures. Additionally, the revolving loan facility includes a restriction in AeroTurbine's ability to declare or pay dividends or other asset distributions to other group companies above a certain defined threshold. The revolving loan facility also requires AeroTurbine to maintain certain minimum debt-to-earnings and earnings-to-expenses ratios. All of AeroTurbine's tangible assets of approximately $328,332 at December 31, 2006 are pledged as collateral for the revolving loan facility.

GATX Portfolio Acquisition Facility—In connection with the purchase of a portfolio of up to 25 aircraft from GATX, our consolidated subsidiary entered into a senior secured loan facility in the aggregate amount of up to $248,000 with Calyon and certain other financial institutions. Borrowings under the senior facility can be used to finance the lesser of 70% of the purchase price of each aircraft and a scheduled percentage of loan amounts related to such aircraft. Borrowings under the senior facility are secured by mortgages on the aircraft and security interests in and pledges or assignments of

all the shares and other ownership interests we hold in the borrower and its subsidiaries, as well as their bank accounts and lease interests. The senior facility includes general and operating covenants that restrict the borrower from incurring additional indebtedness and other limitations which are customary for such credit facilities. At December 31, 2006, we had financed 24 aircraft under the loan facility. The net book value of the 24 aircraft pledged to lenders under the loan facility was $316,793 at December 31, 2006.

ALS Securitization Debt—ALS is a special purpose company incorporated with limited liability in Jersey, Channel Islands, on August 10, 2005. The share capital of ALS is owned 95% by Jersey charitable trusts and 5% by AerCap Ireland. ALS was formed for the purpose of raising securitized debt financing on 42 of our aircraft which were not then subject to other secured financings. On September 15, 2005, ALS issued five subclasses (G-1A, G-2A, C-1, D-1 and E-1) of securitized notes secured by the 42 aircraft. The class G-1A, class G-2A and class C notes and a portion of the class D notes were issued to public investors for cash upon closing. The remaining class D notes were issued to public investors subsequent to closing. The class E notes are held by us. The net book value of the 42 aircraft pledged as collateral for the securitization debt was $949,474 at December 31, 2006.

ALS is bankruptcy-remote from us and the lenders to ALS may only look to proceeds derived from the 42 ALS aircraft for repayment. The indenture, which governs the securitized notes, requires that ALS hold a designated amount of cash aside in restricted accounts for future cash flow requirements. All cash held by ALS is recorded as restricted cash on our balance sheets. The indenture also requires ALS to comply with a number of general and operating covenants including, but not limited to the following:

- Limitations on aircraft modifications, acquisitions and disposals.
- Limitations on transactions with us and our affiliates.
- Maintenance of separate existence.
- Compliance with concentration limits with regard to financial strength, regional location and country of lessees.

Commercial Bank Debt—We have entered into various commercial bank financings to fund the purchase of individual or small groups of aircraft. The financings mature at various dates through 2019. The interest rates are a mix of one-, three- and six-month LIBOR-based with spreads ranging from 0.95% to 1.80%. The financings are secured by a pledge of the shares of the subsidiaries owning the related aircraft and a guarantee from us. Most of our commercial bank debt contains affirmative covenants customary for secured financings, such as the regular provision of financial information and disclosure of material events affecting us, among others. At December 31, 2006, we had financed 14 aircraft under commercial bank financings. The net book value of the 14 aircraft pledged to commercial bank financings was $438,634 at December 31, 2006.

Capital Lease Obligations—We are obligated under capital lease agreements involving four aircraft that originated from sale-leaseback transactions. Our obligations under these capital leases are defeased through interest bearing receivables held by the lenders to the sale-leaseback structures. We have also incurred additional commercial debt financing of $108,929 at December 31, 2006 secured by these four aircraft. The net book value at December 31, 2006 of the four aircraft securing the capital lease

obligations was $144,325, which is also included in the net book value of aircraft securing commercial bank debt above. Depreciation of $8,858, $3,084, $4,429 and $6,169 has been charged on these assets during the year ended December 31, 2004, the six months ended June 30, 2005, the period from June 27, 2005 to December 31, 2005 and the year ended December 31, 2006, respectively. The future minimum lease payments under the capital leases, together with the scheduled return of principal amounts in related defeased structures are as follows:

	Rental commitments	Defeased notes receivable	Net rental Commitments
2007	$ 11,456	$ 11,456	—
2008	50,865	50,865	—
2009	6,154	6,154	—
2010	121,653	121,653	—
	190,128	190,128	—
Less amount representing interest	(27,977)	(27,977)	—
Present value of minimum payments	$ 162,151	$ 162,151	—

During 2006, we purchased an aircraft that was previously subject to a capital lease and terminated the capital lease obligation. The purchase consideration represented a discount of $8,263 to the carrying value of our capital lease obligation. In accordance with FIN 26, "*Accounting for Purchase of a Leased Asset by the Lessee during the Term of the Lease an interpretation of FASB Statement No. 13*," the amount of the discount has been applied to reduce the net book value of the related aircraft.

At December 31, 2006, we had also issued letters of credit in an amount of $44,556 in support of certain obligations. All issued letters of credit are fully cash collateralized with restricted cash. In addition, at December 31, 2006, we had committed credit facilities of $922,300 and an on-demand overdraft facility of $10,000, which were undrawn.

A total amount of capitalized interest of $7,850, $3,084, $2,767 and $4,888 reduced interest expense in respect of the prepayments on flight equipment (Note 8) for the year ended December 31, 2004, the six months ended June 30, 2005, the period from June 27, 2005 to December 31, 2005 and the year ended December 31, 2006, respectively.

16. Accrual for onerous contracts

Accrual for onerous contracts consisted of the following items, which are described below at December 31:

	2005	2006
Lease-in, lease-out transactions	$ 86,148	$ 72,959
1999 Forward Order	66,486	38,374
	$ 152,634	$ 111,333

Lease-in, Lease-out transactions—At December 31, 2006, we leased in 11 aircraft from several different lessors under operating head leases that mature between 2008 and 2012. We have entered into sublease agreements with several different customers covering these same 11 aircraft. In all cases, the lease termination dates of the subleases are matched to the lease termination dates under the head leases. The contracted sublease receipts, however, are insufficient to cover our monthly obligations under the head leases. These transactions are recorded at their net present value as a result of purchase accounting.

We have established a liability equal to the difference between the present value of head lease expenses and the present value of sublease revenue, discounted at appropriate discount rates. The amount of this liability amortizes to income monthly on a constant yield basis as we meet our obligations under the head leases.

Following is a summary of the undiscounted contracted minimum lease payments under the respective head leases and subleases:

	Head lease payments	Sublease Receipts
2007	$ 39,129	$ 23,748
2008	34,640	20,368
2009	28,339	15,858
2010	25,652	15,708
2011	24,911	15,708
Thereafter	21,745	10,573
	$ 174,416	$ 101,963

As referenced in Note 3, we are required, in some instances, to maintain deposits in restricted accounts or to cash-back letters of credit which are security to the respective headlessors for our obligations under the LILO transactions.

Forward order contract—As indicated in Note 8, we are committed for the purchase of nine firm aircraft under the 1999 Forward Order contract for delivery in 2007. The purchase price of these aircraft will be determined at the date of delivery. The final price depends upon the specification of the aircraft and the level of escalation applied to the contracted price which is dependent upon economic indices. An amount of $63,433, exclusive of capitalized interest, was prepaid in respect of delivery of these aircraft at December 31, 2006. Because the contracted purchase prices of the aircraft at delivery are in excess of the anticipated fair market value of the aircraft at delivery, we have recognized an accrual for onerous contracts with respect to the forward order. The accrual was recognized at the date of the 2005 Acquisition as the excess of the net present value of costs to be incurred under the contract over the estimated fair value of the aircraft at delivery.

17. Income taxes

We have subsidiaries in a number of tax jurisdictions, principally, The Netherlands, Ireland, the United States of America and Sweden. Income tax expense by tax jurisdiction is summarized below for the periods indicated.

	AerCap B.V.		AerCap Holdings N.V.	
	Year ended December 31, 2004 (adjusted)	Six months ended June 30, 2005 (adjusted)	June 27 to December 31, 2005 (adjusted)	Year ended December 2006 (adjusted)
Deferred tax expense (benefit)				
The Netherlands	$ (12,124)	$ (2,943)	$ 9,836	$ 25,965
Ireland	11,411	2,155	890	11,020
United States of America	—	—	—	(8,044)
Sweden	—	—	—	(9,010)
Other	495	324	(83)	(115)
	(218)	(464)	10,643	19,816
Current tax (benefit) expense				
United States of America	(6)	(92)	(39)	1,430
Income tax expense	$ (224)	$ (556)	$ 10,604	$ 21,246

Reconciliation of statutory income tax expense to actual income tax expense is as follows:

	AerCap B.V.		AerCap Holdings N.V.	
	Year ended December 31, 2004 (adjusted)	Six months ended June 30, 2005 (adjusted)	June 27 to December 31, 2005 (adjusted)	Year ended December 2006 (adjusted)
Income tax (benefit) expense at statutory income tax rate(a)	$ (36,953)	$ 4,800	$ 19,015	$ 38,376
Increase (reduction) in tax resulting from:				
Tax exempt (income) expense	39,724	—	—	18,813
Reduction of Netherlands corporate tax rate(b)	—	—	—	6,158
Non-taxable results of limited partnership operations	—	—	(6,123)	(12,421)
Reduction in Swedish valuation allowance	—	—	—	(9,010)
Tax on global activities	(2,995)	(5,356)	(2,288)	(20,670)
	36,729	(5,356)	(8,411)	(17,130)
Actual income tax expense	$ (224)	$ (556)	$ 10,604	$ 21,246

(a) The statutory income tax rates in The Netherlands were 34.5% for the year ended December 31, 2004, 31.5% for the six months ended June 30, 2005 and the period from June 27, 2005 to December 31, 2005 and 29.6% for the year ended December 31, 2006.

(b) The Netherlands corporate income tax rate dropped to 25.5% effective January 1, 2007. As a result, we recognized a reduction to our related deferred tax asset through a charge to the income tax provision.

The calculation of income for tax purposes differs significantly from book income. Deferred income tax is provided to reflect the impact of temporary differences between the amounts of assets and liabilities for financial reporting purposes and such amounts as measured under tax law in the various jurisdictions where we operate. Tax loss carryforwards and accelerated tax depreciation on flight equipment held for operating leases give rise to the most significant timing differences. In addition, our U.S. subsidiaries have significant timing differences in respect of payments and receipts under the lease-in, lease-out transactions described in Note 16 and timing differences with respect to capitalized expenses.

The following tables describe the principal components of our deferred tax assets and liabilities by jurisdiction at December 31, 2005 and 2006.

	December 31, 2005 (adjusted)			
	The Netherlands	Ireland	U.S.	Sweden
Depreciation/Impairment	$ (57,608)	$ (155)	$ (1,566)	—
Prepayments on flight equipment	(4,297)	—	—	—
Lease premium asset	9,131	1,017	—	—
Lessee receivables	—	—	8,130	—
Loss-making contracts	(21,401)	—	(29,068)	—
Obligations under capital leases and debt obligations	—	(8,136)	—	—
Capitalized expenses	—	—	(1,229)	—
Investments	39,827	(2,500)	—	—
Losses and credits forward	(22,072)	(50,925)	(5,616)	$ (8,829)
Other	1,987	(1,611)	(4,823)	—
Valuation allowance on tax assets	—	17,431	34,172	8,829
Net deferred tax (asset) liability	$ (54,433)	$ (44,879)	$ —	$ —

	December 31, 2006 (adjusted)			
	The Netherlands	Ireland	U.S.	Sweden
Depreciation/Impairment	$ (42,507)	$ 2,922	$ 27,242	$ —
Prepayments on flight equipment	(2,503)	—	—	—
Intangibles	—	—	8,927	—
Lessee receivables	—	—	(1,807)	—
Inventory	—	—	2,145	—
Loss-making contracts	(9,785)	—	(21,097)	—
Obligations under capital leases and debt obligations	—	(7,881)	—	—
Capitalized expenses	—	—	(1,275)	—
Investments	25,389	(2,500)	—	—
Losses and credits forward	(7,098)	(44,303)	(7,236)	(9,010)
Other	48	911	(3,720)	—
Valuation allowance on tax assets	—	—	—	—
Net deferred tax (asset) liability	$ (36,456)	$ (50,851)	$ 3,179	$ (9,010)

The change in the valuation allowance for the deferred tax asset has been as follows:

	AerCap B.V.	AerCap Holdings N.V.	
	Six months ended June 30, 2005	June 27 to December 31, 2005	Year ended December 31, 2006
Valuation allowance at beginning of period	$ 83,697	$ 64,138	$ 60,432
Reduction of allowance to income tax provision	(19,559)	(3,706)	(9,010)
Reduction of allowance to intangible assets	—	—	(22,817)
Reduction of allowance to goodwill	—	—	(30,058)
Increase of allowance to income tax provision	—	—	1,453
Valuation allowance at end of period	$ 64,138	$ 60,432	—

The Netherlands

The majority of our Netherlands subsidiaries are part of a single Netherlands fiscal unit and are included in a consolidated tax filing. Due to the existence of loss carry-forwards and accelerated tax depreciation, no current tax expense arises with respect to our subsidiaries in The Netherlands. Deferred income tax is calculated using The Netherlands corporate income tax rate legislated to be in effect when the temporary differences reverse, 25.5%.

Ireland

Our aircraft owning and principal operating Irish resident subsidiaries enjoyed the benefit of a 10% rate of corporate tax on qualifying trading activities until December 31, 2005. After December 2005, the enacted tax rate is 12.5%. Some of the Irish entities have significant loss carryforwards at December 31, 2006 which give rise to deferred tax assets. The availability of these loss carryforwards does not expire with time. Due to the existence of these loss carryforwards and deferred tax benefits related to accelerated tax depreciation, no Irish tax charge arose during the year. At December 31, 2005, we maintained valuation allowances against a portion of our Irish tax loss carryforwards due to the uncertainty of generating sufficient taxable profits in the future to utilize all of the loss carryforwards. Based on projected taxable profits in our Irish subsidiaries, including the anticipated interest income to be received from ALS securitization notes which we hold and the interest to be received by our Irish subsidiaries on loans transferred to Ireland in connection with our change in corporate structure described in Note 1, we now expect to recover the full value of our Irish tax assets and have eliminated the previous valuation allowance at December 31, 2006. In accordance with SFAS 109, *Accounting for Income Taxes,* the offsetting entry to the reduction in the valuation allowance which was established at the 2005 Acquisition, reduced the intangible lease premium asset that was recognized at the time of the 2005 Acquisition.

United States of America

Our U.S. subsidiaries are assessable to federal and state U.S. taxes. Prior to our acquisition of AeroTurbine, our U.S. subsidiaries had significant timing differences and net operating loss carryforwards available to offset future federal taxable profits and no current tax charge arose in those prior periods. Following a change of ownership of the U.S. Company in November 2000, and the

change of control at the 2005 Acquisition, certain restrictions, under Section 382 of the IRS tax code, were imposed on the future utilization of tax loss carryforwards in existence at those dates. Due to these restrictions and forecasts of taxable losses in future periods, no tax asset had been recognized for these losses or other future deductible differences at the 2005 Acquisition. Between the 2005 Acquisition and December 31, 2005, we generated $5,616 of net losses, which would begin to expire in 2025. Based on projections of taxable income in the U.S. at December 31, 2005, however, the realizability of any portion of these deferred tax assets was unlikely and a full valuation allowance was established at December 31, 2005 related to these tax losses.

As a result of the AeroTurbine acquisition, our projections of future taxable income of the U.S. group indicate we will generate sufficient taxable income to recover the full value of all future deductible differences and all tax losses accruing after the 2005 Acquisition. Based on these projections, we have eliminated our U.S. valuation allowance at December 31, 2006. In accordance with SFAS 109, the offsetting entry to the reduction in the valuation allowance which was established at the 2005 Acquisition, reduced the remaining intangible lease premium asset of $5,386 recognized at the time of the 2005 Acquisition and then reduced goodwill recognized in the AeroTurbine Acquisition of $30,058.

Beginning with the tax year ending December 31, 2006, we will file a consolidated federal income tax return in the U.S. which will include the accounts of AeroTurbine. Section 384 of the IRS code restricts the use of net operating losses of an acquiring entity to offset recognized built-in gains of an acquired entity in certain circumstances. As a result of recognized built-in gains from the operations AeroTurbine in the period between the AeroTurbine Acquisition and December 31, 2006 which exceed the losses of the consolidated U.S. group during the same period, we expect to pay current federal and state income taxes of $1,430 related to 2006.

Sweden

Our Swedish entities have significant loss carryforwards at December 31, 2006 which give rise to deferred tax assets. The availability of these loss carryforwards does not expire with time. Due to the availability of these loss carryforwards to offset taxable income, no Swedish tax charge arose during the year. Based on projected taxable profits in our Swedish subsidiaries we expect to recover the full value of our Swedish tax assets and have eliminated the previous valuation allowance at December 31, 2006. As the intangible lease premium asset that was recognized at the time of the 2005 Acquisition was completely reduced by the release of the Irish and U.S. valuation allowances, the offsetting entry to the reduction in the Swedish valuation allowance which was established at the 2005 Acquisition, reduced the provision for income taxes in accordance with SFAS 109, *Accounting for Income Taxes.*

18. Share Capital

From the date of our acquisition of AerCap B.V. to just prior to our initial public offering, we were a Netherlands limited partnership under the name of AerCap Holdings C.V. with $370,000 of partnership capital held by four limited partners and one general partner, all located in Luxembourg. In anticipation of our initial public offering, AerCap Holdings N.V. was formed with 45,000 shares held by the same Luxembourg entities. AerCap Holdings N.V. issued one additional share to acquire all of the assets and liabilities of AerCap Holdings C.V. in a common control transaction after which, AerCap Holdings C.V. was liquidated. On November 10, 2006, we effected a 1,738.6 for one stock split resulting

in total shares issued and outstanding of 78,236,957 and reduced the par value of each common share from €1.00 to €.01. Because our conversion from a Netherlands limited partnership to a Netherlands public limited liability company was accomplished in a common control transaction, we have retroactively reflected our capital structure during the period when our group was owned by AerCap Holdings C.V. (limited partnership) as if it were owned by AerCap Holdings N.V. based on 78,236,957 shares outstanding.

On November 21, 2006, we sold 6.8 million shares at $23 per share in an initial public offering. We received net proceeds of $143,017 after deducting underwriting discounts and commissions and offering expenses payable by us. We used the net proceeds from the initial public offering plus existing cash to retire $168,600 of senior and subordinated debt of AeroTurbine. In connection with the early retirement of this debt, we wrote off $3,300 of debt issuance costs and paid prepayment penalties of $1,686.

As of December 31, 2006, our authorized share capital consisted of 200,000,000 common shares with a par value of €.01 with 85,036,957 issued and outstanding.

As described in Note 15, the ability of our wholly-owned subsidiary, AeroTurbine, to declare and pay dividends to us of cash or other assets, above a certain threshold is restricted under the terms of its revolving loan facility. Our consolidated shareholders' equity includes shareholders' equity attributable to AeroTurbine of $258,483.

19. Share-based compensation

Effective June 30, 2005, Bermuda holding companies ("Bermuda Parents") which indirectly owned 100% of our equity interests put into place an Equity Incentive Plan ("Equity Plan") under which members of our senior management, Board of Directors and an employee of Cerberus (the "participants") can be granted either restricted shares or share options ("Equity Grants") in the Bermuda Parents. The Bermuda Parents from which the restricted shares and share options have been granted were formed with identical capital structures (95% preferred shares and 5% common shares) and each have an equal percentage indirect ownership interest in us, representing an aggregate 100% of our ownership interest in us prior to our initial public offering and 69.3% after our initial public offering. The Bermuda Parents do not own any other significant assets or conduct any other significant activities outside of their indirect investment in us and the value of the Bermuda Parents is derived exclusively with reference to the value of our shares.

We apply the provisions of SFAS 123(R), *"Share-based payment"* in accounting for the Equity Grants. In addition to formal vesting restrictions, the terms of the Equity Grants contain provisions which allow the Bermuda Parents to repurchase any restricted shares or shares obtained through the exercise of options upon the occurrence of certain employment termination events or cessation of service on the board of directors for share options issued to our independent directors. All holders of Equity Grants signed a Share Agreement in connection with our initial public offering which gives each of them the right to exchange their Bermuda Parent shares or share options for our shares or options on our shares directly with the Bermuda Parents. Such right is not exercisable until November 27, 2008. The Share Agreement also restricts all such holders from selling or pledging their interests in the

Bermuda Parents. At the expiration of the two-year period, the participants will not be restricted from selling their interests in our shares.

In December 2005, restricted shares and share options were issued to members of our senior management and an employee of Cerberus. The terms of the Equity Grants contain provisions which allow the Bermuda Parents to repurchase any restricted shares or shares obtained through the exercise of options at no cost upon the occurrence of certain employment termination events. According to the terms of these Equity Grants, the options were to vest and certain restrictions on the restricted shares were to lapse during the period from June 2005 to December 2009 according to certain time and performance criteria. As set forth in the restricted share and option agreements, all share options vested and all restrictions on restricted shares lapsed (other than the repurchase rights referred to above), upon the closing of our initial public offering. The fair value of the shares and options issued in December 2005 were calculated with reference to the transaction price for the 2005 Acquisition on June 30, 2005 and considered all factors effecting the value between that date and the grant date. For all shares and share options except those held by an employee of Cerberus, expense recognition under SFAS 123(R) is based on the grant date fair value. The share-based compensation for the employee of Cerberus is based on the mark-to-market value of the underlying shares at each reporting date. Despite the formal vesting of these restricted shares and share options at the date of our initial public offering, expense recognition of these Equity Grants will be recognized between the date of our initial public offering and two years from that date, which is the date that the holders can exchange their Bermuda holding company shares for shares in our company and sell them in the market. This period of two years represents the period of "substantial vesting" under SFAS 123(R).

On April 26, 2006, (the date of the AT Acquisition) the selling shareholders of AT purchased restricted shares in the Bermuda Parents. These restricted shares were subject to certain time and performance criteria similar to the December 2005 grants. The agreements which govern the restricted shares allow the Bermuda Parents to call the restricted shares and allow the employees to put their shares back to the Bermuda Parents at fair market value upon the occurrence of certain employment termination events. In connection with our initial public offering, all restrictions on these restricted shares, other than the put and call rights referred to above, lapsed.

On August 21, 2006 and September 5, 2006 the Bermuda Parents issued stock options under the Equity Plan to three members of the Company's senior management. The options vest over a four-year period of time according to both time and performance-based criteria. Twenty-percent of the options vested upon our initial public offering and another 20% vested on December 31, 2006 based on achievement of performance measures. All of the options issued vest upon a change of control. The option agreements contain provisions which allow the Bermuda Parents to repurchase any shares obtained through the exercise of options at the lower of fair market value or the exercise price paid upon the occurrence of certain employment termination events.

On September 5, 2006, the Bermuda Parents granted options under the Equity Plan to four non-executive directors of the Company. The options granted to the directors are not subject to vesting criteria and are exercisable for a period of ten years. The Bermuda Parents have the right to repurchase any shares acquired through the exercise of options at fair market value within 90 days of the conclusion of any director's term on the board of directors.

Since all of the Equity Grants outstanding are shares or share options in the Bermuda Parents and since the right of the holders of the Equity Grants to exchange their shares in the Bermuda Parents for our shares after the two-year period is not directly with us, the existence of the restricted share and share options is not dilutive to our share ownership.

The fair values of all shares and share options granted in 2006 as described above were calculated assuming the midpoint valuation of our shares held by the Bermuda Parents in connection with the initial public offering of our shares. To this value, a discount for lack of marketability ("DLOM") was applied to reflect the fact that (i) the shares being valued represent an illiquid minority interest in a closely-held indirect holding company without access to a recognized market and (ii) the shares are subject to significant restrictions which prevent their transfer or pledge. The application of a DLOM was supported by empirical data from studies of restricted shares and pre-IPO studies of share prices. In addition, the DLOM was supported by a "put-option" analysis which calculates the inherent difference in value between a freely traded share and an illiquid, restricted share.

With the exception of 25% of the restricted shares purchased by the AT executive, a DLOM of 20% was applied in the April 2006 valuation supporting the issuance of shares to the two AT executives. Because the AT executives had control over an employment termination right that would allow them to put the shares at fair market value to the Bermuda Parents immediately upon vesting, 25% of the shares purchased qualified as a liability award and the value of those shares was subject to mark-to-market movements until September 19, 2006, when the put right was modified through an amendment to the restricted share purchase agreement. A DLOM of 10% was applied to the valuation supporting the issuances in August and September 2006 and the 25% tranche held by the AT executives. The decrease of the DLOM between the two valuation dates reflects the increased probability of a successful public offering of our shares and the resulting closer proximity to a liquid market for shares in the Bermuda Parents.

In accordance with SFAS 123R, the amount of compensation expense recognized for restricted shares is derived with reference to the excess of fair market value of the shares at the date of grant (or the date of the amendment related to the 25% fourth tranche held by the AT executives) over the price paid. The amount of expense recognized with respect to share options is based on the fair value of the option using the share valuation method described above and then applying a Black-Scholes option pricing model to the underlying share value. The value of each of the Equity Grants is recognized on a straight-line basis over the applicable vesting periods.

For options valued with a Black-Scholes option pricing model, we have used the following assumptions:

Volatility	38.25% - 39.90%
Expected life	5.00 - 5.93 years
Risk-free interest rate	4.67% - 4.72%
Dividend yield rate	0.00%

Since our shares had not traded in the public market, we derived our volatility assumptions by comparison to peer group companies. The expected life represents the period of time the options are expected to be outstanding. The risk free rate is based on the U.S. Treasury yield curve in effect at the

time of grant and which has a term equal to the expected life of the options. The expected dividend yield is based on our history of not paying regular dividends in the past and our current intention not to pay regular dividends in the foreseeable future. The differing volatilities and interest rates used result from the differences in expected life among the different tranches of stock options valued.

The offsetting entry for the compensation expense recognized for Equity Grants is to additional paid-in capital with no resulting effect on total shareholders' equity, other than the positive effect of the deferred tax benefit ($10,291) related to the tax deductible portion of share-based compensation charges.

A summary of issuances under the Equity Plan at December 31, 2006 is set forth below. Because the number of shares and share options under the Equity Plan are shares and share options of the Bermuda Parents, ownership interests in the table below have been stated as the equivalent number of our shares which are represented by the Bermuda Parent shares at December 31, 2006.

		Current indirect equity interest (a), (b)			
	Grant Date	Shares	Options	Grant Date Fair Value	Expense recognized in the year ended December 31, 2006 (f)
December 2005 Grant (executives)	December 29, 2005	3,898,085	1,535,446	$ 3,056(c)	$ 3,134
AT Executive Issuance	April 26, 2006	3,758,529	—	70,125	70,125
Senior Management Issuance	August 21 / September 5, 2006	—	980,004(e)	9,712(d)	1,453
Independent Director Issuance	September 5, 2006	—	252,587(e)	3,923	3,923
		7,656,614	2,768,037	$ 86,816	$ 78,635

(a) On a fully-diluted basis assuming all options vest and are exercised.

(b) In addition to shares granted under the Equity Plan, members of management have purchased Bermuda holding company shares indirectly representing 186,389 of our common shares.

(c) Excludes the fair value of 270,325 indirect shares owned by an employee of Cerberus whose value is determined under FAS 123(R) based on the mark-to-market value at each reporting date.

(d) Excludes the fair value of 367,502 indirect options where vesting is determined with respect to future performance criteria which has not yet been established. The share-based compensation charges for these options will be determined when those criteria are formally established.

(e) These indirect options are subject to an exercise price of $7.00 per share.

(f) For those shares and share options which have a grant date under SFAS 123(R) (excluding options which vest according to yet-to-be established performance criteria and restricted shares held by an employee of Cerberus), we expect to record share-based compensation of $5,190, $4,716 and $347 in 2007, 2008 and 2009, respectively.

Following is a summary of the issuances of new restricted shares and share options under the Equity Plan and the substantive vesting of such restricted shares and share options during the year ended December 31, 2006. All share numbers are calculated on a fully-diluted basis assuming the vesting, exercise and conversion to shares of AerCap Holdings N.V.

19. Share-based compensation (continued)

	Unvested Restricted Shares/Options Not Subject to a Strike Price	Unvested Options Subject to a $7.00 Strike Price
Balance at January 1, 2006	5,433,531	—
Issuance of restricted shares in connection with AeroTurbine Acquisition	3,758,529	—
Issuance to senior management		980,004
Substantive vesting during year	(5,645,100)	(392,002)
Balance at December 31, 2006	3,546,960	588,002

On October 31, 2006, we implemented an equity incentive plan that is designed to promote our interests by enabling us to attract, retain and motivate directors, employees, consultants and advisors and align their interests with ours. Our new equity incentive plan provides for the grant of nonqualified stock options, incentive stock options, stock appreciation rights, restricted stock, restricted stock units and other stock awards to participants of the plan selected by the Nomination and Compensation Committee of our Board of Directors. Subject to certain adjustments, the maximum number of shares available to be granted under the plan is equal to 5% of our outstanding shares. No shares have been issued and none are outstanding under the plan. The terms and conditions of awards, including vesting provisions for stock options, will be determined by the Nomination and Compensation Committee, except that, unless otherwise determined by the Nomination and Compensation Committee, or as set forth in an award agreement: (a) each stock option is granted for ten years from the date of grant, or, in the case of certain key employees, (i.e., employees owning more than 10% of our ordinary shares), for five years from the date of grant; provided, however, no stock option period may extend beyond ten years from the date of grant; (b) the option price per share may not be less than 100% of the fair market value of the ordinary shares except that the option price per share for a key employee may not be less than 110% of the fair market value of the ordinary shares at the time the incentive stock option is granted; and (c) incentive stock options may only be issued to the extent the aggregate fair market value of shares with respect to the exercise of the incentive stock options for the first time by an option holder during any calendar year is $100,000 or less, with any additional stock options being treated as nonqualified stock options.

20. Segment information

Reportable Segments

Prior to the acquisition of AT, we operated in one reportable segment—leasing, financing and management of commercial aircraft. From the date of the acquisition of AT, we manage our business and analyze and report our results of operations on the basis of two business segments—leasing, financing, sales and management of commercial aircraft ("Aircraft") and leasing, financing and sales of engines and parts ("Engine and Parts").

The following sets forth significant information from our reportable segments:

	AerCap B.V.		
	Year ended December 31, 2004 (adjusted)		
	Aircraft	Engines and parts	Total
Revenues from external customers	$ 390,867	—	$ 390,867
Segment loss	(106,886)	—	(106,886)
Segment assets	3,604,154	—	3,604,154
Depreciation	125,877	—	125,877

	AerCap B.V.		
	Six months ended June 30, 2005 (adjusted)		
	Aircraft	Engines and parts	Total
Revenues from external customers	$ 261,078	—	$ 261,078
Segment profit	15,793	—	15,793
Segment assets	2,841,689	—	2,841,689
Depreciation	66,407	—	66,407

	AerCap Holdings N.V.		
	June 27, 2005 to December 31, 2005 (adjusted)		
	Aircraft	Engines and parts	Total
Revenues from external customers	$ 215,072	—	$ 215,072
Segment profit	49,761	—	49,761
Segment assets	3,061,199	—	3,061,199
Depreciation	45,918	—	45,918

	AerCap Holdings N.V.		
	Year ended December 31, 2006 (adjusted)		
	Aircraft	Engines and parts(a)	Total
Revenues from external customers	$ 689,226	$ 125,193	$ 814,419
Segment profit (loss)	166,796	(57,805)	108,991
Segment assets	3,527,853	390,183	3,918,036
Depreciation	95,933	6,454	102,387

(a) Reporting for this segment began on April 26, 2006.

Geographical Information

The distribution of our lease revenue by geographic regions is as follows for the periods indicated:

	Year ended December 31, 2004	Six months ended June 30, 2005	June 27 to December 31, 2005	Year ended December 31, 2006
Europe	36%	33%	33%	35%
Asia/Pacific	35%	43%	44%	43%
Latin America	7%	6%	5%	7%
North America and Caribbean	21%	18%	18%	15%
Africa/Middle East	1%	—	—	—
	100%	100%	100%	100%

No lessee accounted for more than 10% of lease revenue in any of the periods indicated above. Sales revenue is comprised of 69% from our aircraft segment and 31% from our engine and parts segment. We have not provided a geographical breakdown of sales revenue because a material percentage of our sales are of movable flight equipment and are to buyers that have multiple locations. In addition, we have not provided a breakdown of management fee revenue, interest revenue or other revenue because amounts are less material than lease and sales revenue and we do not believe a geographical breakdown of such revenues is helpful in identifying geographical concentration risks to our business.

The following table indicates the percentage of long-lived assets (flight equipment and intangible assets) that are leased to or associated with customers in the indicated regions as at December 31, 2005 and December 31, 2006:

	2005	2006
Europe	46%	41%
Asia/Pacific	37%	35%
Latin America	3%	6%
North America and Caribbean	14%	18%
Africa/Middle East	—	—
	100%	100%

21. Goodwill impairment

We recorded an impairment of all existing goodwill, $132,411, as a result of our annual goodwill impairment test in 2004. The valuation of our single reporting unit was calculated through a discounted cash flow approach and considered all of our then-existing assets and liabilities. In years prior to 2004, our ability to grow and make additional aviation investments was primarily controlled by the Previous Shareholder Lenders. Our strategic growth plans were based on an assumed easing of operational restrictions placed on us through our loans with the Previous Shareholder Lenders and an infusion of equity capital. We were not able to achieve such measures in 2004 and reforecasted our estimated cash flows, which were substantially less than the projected cashflows in previous years. Further, we became

aware that the Previous Shareholder Lenders intended to sell us for a price below our book equity value.

22. Impairment on investment

During 2004, we accepted common shares in one of our lessees in lieu of cash in satisfaction of the lessee's obligation for security deposits under the related leases. At the time of receipt of the shares, we recorded the fair value of the shares as investment on the balance sheet. Later in 2004, due to liquidity problems and financial uncertainty of the lessee, we recorded an impairment charge on the entire carrying amount of the investment in recognition of a permanent impairment in value of the shares.

23. Selling, general and administrative expenses

Selling, general and administrative expenses included the following expenses:

	AerCap B.V.		AerCap Holdings N.V.	
	Year ended December 31, 2004	Six months ended June 30, 2005	June 27 to December 31, 2005	Year ended December 31, 2006
Personnel expenses	$ 17,678	$ 9,360	$ 13,417	$ 114,463(a)
Travel expenses	3,381	1,277	1,270	4,635
Professional services	9,488	4,702	6,662	19,415
Office expenses	3,865	1,474	1,571	4,590
Other expenses	2,037	2,746	4,029	6,261
	$ 36,449	$ 19,559	$ 26,949	$ 149,364

(a) Includes share-based compensation of $78,635

We had 100 and 351 persons in employment as at December 31, 2005 and 2006, respectively. The increase in numbers of employees between the periods was primarily the result of the acquisition of AeroTurbine and employees hired at our leased facility in Goodyear, Arizona.

24. Earnings per common share

Basic and diluted earnings per share (EPS) is calculated by dividing net income by the weighted average of our common shares outstanding. We have no dilutive shares or share options. The

computations of basic and diluted earnings per common share for the periods indicated below are shown in the following table:

	Year ended December 31, 2004 (adjusted)	Six months ended June 30, 2005 (adjusted)	June 27 to December 31, 2005 (adjusted)	Year ended December 31, 2006 (adjusted)
Net (loss) income for the computation of basic and diluted earnings per share	$ (106,886)	$ 15,793	$ 49,761	$ 108,991
Weighted average common shares outstanding	736,203	736,203	78,236,957	78,992,513
Basic and diluted (loss) earnings per common share	$ (145.19)	$ 21.45	$ 0.64	$ 1.38

25. Related party transactions

Until the 2005 Acquisition, the Previous Shareholder Lenders had provided us with subordinated loans for a total of $350,650 as at December 31, 2004. The interest rates on these loans were variable and were calculated on the basis of six-month LIBOR. Interest of $10,866 and $7,373 was included in interest on indebtedness for the year ended December 31, 2004 and the six months ended June 30, 2005, respectively. These loans were acquired in connection with the 2005 Acquisition by AerCap Holdings C.V. and are eliminated in consolidation in these consolidated accounts.

The Previous Shareholder Lenders also participated in our senior credit facility prior to the 2005 Acquisition. A total of $1,516,604 was outstanding under these credit agreements at December 31, 2004. The interest rate on the credit facility is variable and is calculated on the basis of LIBOR. Interest on the senior debt of $61,634 and $34,842 was included in interest on debt for the year ended December 31, 2004 and for the six months ended June 30, 2005, respectively.

Wings is a wholly-owned subsidiary of DASA, who is wholly-owned by one of our Previous Shareholder Lenders. We provide aircraft lease management and remarketing services to Wings for which we received fees of $1,623 and $685 for the year ended December 31, 2004 and the six months ended June 30, 2005, after which Wings was no longer a related party due to the sale of our shares by our Previous Shareholder Lenders.

AerCo is an aircraft securitization vehicle in which we hold all of the most junior class of subordinated notes and some notes immediately senior to those junior notes. We do not recognize value for the AerCo notes we hold, until March 31, 2003 we consolidated AerCo, but we deconsolidated the vehicle in accordance with FIN 46 on such date. Subsequent to the deconsolidation of AerCo, we have received interest from AerCo on its notes of $8,500, $1,733, $850 and $1,700 for the year ended December 31, 2004, the six months ended June 30, 2005, the period from June 27, 2005 to December 31, 2005 and for the year ended December 31, 2006, respectively. In addition, we provide a variety of management services to AerCo for which we received fees of $5,400, $2,358, $2,440 and $5,208 for the year ended December 31, 2004, the six months ended June 30, 2005, the period from June 27, 2005 to December 31, 2005 and for the year ended December 31, 2006, respectively.

We have made payments to Cerberus and third parties on behalf of Cerberus totaling $1,203 since the 2005 Acquisition. The payments to Cerberus represent reimbursement of consulting fees paid by Cerberus to individuals who have assisted us in the evaluation of portfolio or company purchases, including our acquisition of AeroTurbine. In addition, this amount also includes approximately $200 of reimbursements for consulting services incurred by Cerberus in connection with Cerberus's evaluation of the 2005 Acquisition. We are currently establishing agreements directly with the consultants who we expect to retain for similar services instead of working with them through Cerberus. If we accept services from individuals employed by or contracted through Cerberus in the future, we expect these arrangements to reflect arms' length negotiations that will not be more favorable than the terms we could negotiate with an independent party.

We lease two A320-200 aircraft to Air Canada. Both leases expire in 2014. Cerberus indirectly controls 11% of the equity of Air Canada and has a majority equity interest in AerCap Holdings N.V.

In February 2006, we entered into a guarantee arrangement with DvB Bank AG and Aozora Bank Limited, an entity that is majority-owned by Cerberus. In addition, Pieter Korteweg, the Chairman of our Board of Directors, and Marius Jacques Leonard Jonkhart, a non-executive director, are also on the board of directors of Aozora Bank. The guarantee supports certain of our obligations to a Japanese operating lessor of up to $13,800 in connection with a JOL financing. The Japanese operating lessor required the guarantee as additional credit support following the 2005 Acquisition. We leased the A320 aircraft from the Japanese operating lessor under a lease and then subleased the aircraft to an aircraft operator. In the event we fail to make certain payments related to JOL financing, DvB Bank will make the payment on our behalf but will be reimbursed by Aozora Bank for any payments made. We have agreed to indemnify Aozora Bank for any payments it makes under the guarantee arrangement. The guarantee expires in February 2008. Under the terms of the guarantee arrangement, we are required to provide cash collateral to Aozora Bank if we breach certain financial covenants. Currently we are not in breach of any of these covenants and have not provided any cash collateral. In connection with the guarantee arrangement, we pay Aozora Bank a guarantee fee of 4.1% per annum of the amount guaranteed and have provided Aozora Bank with a second priority share pledge over the shares of the entity that entered into the financing with the Japanese operating lessor.

In April 2006, we entered into a senior secured revolving credit facility in the aggregate amount of up to $1,000,000 with UBS Real Estate Securities Inc., UBS Securities LLC., Deutsche Bank Trust Company Americas and certain other financial institutions. Aozora Bank is a syndicate member under the facility and participated in up to $50,000 of the Class A loans and up to $25,000 of the Class B loans issued thereunder, representing 7.0% of the Class A loans and 13.9% of the Class B loans. As of December 31, 2006, we had drawn and there remained outstanding $172,243 of the class A loans and $40,625 of the class B loans.

We lease our office and warehouse located in Miami, Florida from an entity owned by the Chief Executive Officer and Chief Operating Officer of AeroTurbine. The lease for this facility expires on December 31, 2013. The lease was amended in March 2006 to adjust the rent to current market rates commencing on January 2007.

In 2004, we entered into leases for six A320 aircraft with WizzAir Hungary Limited. As part of a subsequent restructuring of amounts outstanding, WizzAir agreed to issue us shares of its equity

representing 17.4% of its equity as of November 2004. In 2005, we agreed with WizzAir's other shareholders and creditors to enter into a Shareholders' and Noteholders' Agreement under which we agreed to convert trade receivables into an unsecured, non-amortizing € 7,800 note, convertible into approximately 26% of WizzAir's outstanding shares on a fully diluted basis as of February 2005. Under the terms of the Shareholders' and Noteholders' Agreement we were able to appoint a director of WizzAir between February 2005 and June 2005. The convertible notes were carried on our balance sheet at December 31, 2005 at $1,800. We sold all of our WizzAir convertible notes in September 2006.

26. Commitments and contingencies

Property and other rental commitments

We have entered into property rental commitments with third parties, which expire in 2011, amounting to $7,499 and $16,255 as of December 31, 2005 and 2006, respectively. We also have lease arrangements with respect to company cars and office equipment. Minimum payments under the property rental agreements are as follows:

2007	$ 3,775
2008	3,220
2009	3,072
2010	1,822
2011	1,822
Thereafter	2,544
	$ 16,255

Legal proceedings

VASP litigation

We leased 13 aircraft and three spare engines to Vicao Aerea de Sao Paulo ("VASP"), a Brazilian airline. In 1992, VASP defaulted on its lease obligations and we commenced litigation against VASP to repossess its aircraft. In 1992, we obtained a preliminary injunction for the repossession and export of 13 aircraft and three spare engines (the "Repossessed Assets") from VASP. We repossessed and exported the Repossessed Assets in 1992. VASP appealed this decision.

In 1996, the High Court of the State of São Paulo (the "High Court") found in favor of VASP on its appeal. We were instructed to return the Repossessed Assets to VASP for the lease under the terms of the original lease agreements between us and VASP. The High Court also granted VASP the right to seek damages in lieu of the return of Repossessed Assets. Since 1996, we have pursued in this case in the Brazilian courts through various motions and appeals.

26. Commitments and contingencies (continued)

On March 1, 2006, the Superior Court of Justice dismissed our most recent appeal and on April 5, 2006 a special panel of the Superior Court of Justice confirmed the Superior Court of Justice decision. On May 15, 2006, we appealed this decision to the Federal Supreme Court. On February 23, 2006, VASP commenced a procedure for the calculation of the award for damages and has appointed an expert to assist the court in calculating damages. Both we and VASP have the right to appoint our own expert to assist the court appointed expert in this process. Our external legal counsel has advised us that even if we lose on the merits, they do not believe that VASP will be able to demonstrate any damages.

We continue to actively pursue all courses of action that may be available to us and intend to defend our position vigorously. We are currently pursuing claims for damages in the English courts against VASP based on the damages we incurred as a result of the default by VASP on its lease obligations. In October 2006, the English Courts approved our motion to serve process upon VASP in Brazil. VASP will be served process in Brazil, by means of a rogatory letter which is currently being processed before the Brazilian Superior Court of Justice. Our management, based on the advice of external legal counsel, has determined that it is not necessary to make any provisions for this litigation.

Swedish tax dispute

In 2001, the Swedish tax authorities challenged the position we took in tax returns we filed for the years 1999 and 2000 with respect to certain deductions. In accordance with Swedish law, we made a guarantee payment to the tax authority of $16,792 in 2003, which was recorded as a receivable in anticipation that we would prevail in our arguments. We appealed the decision of the tax authorities and in August 2004, a Swedish Court issued a ruling in our favor, which resulted in a tax refund of $19,887 (which included interest and the effect of foreign exchange movements for the intervening period) to us, which was offset against the receivable established. In September 2004, the Swedish tax authorities appealed the decision of the Court and filed an appeal with the Administrative Court of Appeal in Sweden. We have responded to this appeal and have requested an oral hearing on the matter. The Court has responded that it will schedule an oral hearing, but we have not yet received notice of the timing of such hearing. Management, based on the advice of our tax advisors, has determined that it is not necessary to make any provisions for this tax dispute.

27. Fair values of financial instrument

Statement of Financial Accounting Standards No. 107 "*Disclosures about Fair Value of Financial Instruments*" defines the fair value of a financial instrument as the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Fair values of financial instruments have been determined with reference to available market information. However, considerable management judgment is required in interpreting market

data to arrive at estimates of fair values. Accordingly, the estimates presented below may not be indicative of the amounts that we could realize in a current market exchange.

	At December 31, 2005		At December 31, 2006	
	Book value	Fair value	Book value	Fair value
Assets				
Investments	$ 3,000	$ 3,000(a)	$ 3,000	$ 3,000(a)
Notes receivable	196,620	196,620	167,451	167,451
Restricted cash	157,730	157,730	112,277	112,277
Derivative assets	18,420	18,420	17,871	17,871
Cash and cash equivalents	183,554	183,554	131,201	131,201
	$ 559,324	$ 559,324	$ 431,800	$ 431,800
Liabilities				
Debt	$ 2,172,995	$ 2,185,739	$ 2,555,139	$ 2,555,139
Derivative liabilities	8,087	8,087	—	—
Guarantees	18,798	18,798	15,668	15,668
	$ 2,199,880	$ 2,212,624	$ 2,570,807	$ 2,570,807

(a) This represents an investment equalling 12 percent in a class of subordinated debt issued by a private company. We do not believe it is practicable to estimate the fair value of this investment and have listed its fair value as equal to our carrying value, which equals its historical cost.

28. Recent Accounting Pronouncements

In February 2006, the FASB issued SFAS No.155, "*Accounting for Certain Hybrid Financial Instruments—an amendment of SFASB statements No. 133 and 140"*. This statement permits fair value measurement for any hybrid financial instrument that contains an embedded derivative that otherwise would require bifurcation. This statement is effective for all financial instruments acquired or issued after the beginning of an entity's first fiscal year that begins after September 15, 2006 (January 1, 2007 for us). Earlier adoption is permitted as of the beginning of an entity's fiscal year, provided that no interim period financial statements have been issued for the financial year. We do not anticipate that the adoption of SFAS 155 will have a material effect on our financial statements or our results of operations.

In March 2006, the FASB issued SFAS No. 156, "*Accounting for Servicing of Financial Assets"*. SFAS No. 156 amends SFAS No.140. SFAS No. 156 requires that all separately recognized servicing assets and servicing liabilities be initially measured at fair value. For subsequent measurements, SFAS No. 156 permits companies to choose between using an amortization method or a fair value measurement method for reporting purposes. SFAS No. 156 is effective as of the beginning of a company's first fiscal year that begins after September 15, 2006. We do not anticipate that SFAS No. 156 will have a material impact on our financial position or our results of operations.

In April 2006, the FASB issued FSP No. FIN 46(R)-6, "*Determining the Variability to Be Considered in Applying SFASB Interpretation No. 46(R)*". The FSP addresses how a reporting enterprise should determine the variability to be considered in applying FIN 46(R). The variability that is considered in applying FIN 46(R) affects the determination of (a) whether an entity is a VIE, (b) which interests are "variable interests" in the entity, and (c) which party, if any, is the primary beneficiary of the VIE.

That variability affects any calculation of expected losses and expected residual returns, if such a calculation is necessary. FSP No. FIN 46(R)-6 must be applied prospectively to all entities (including newly created entities) and to all entities previously required to be analyzed under FIN 46(R) when a "reconsideration event" has occurred, in the first reporting period beginning after June 15, 2006. We will evaluate the impact of this FSP at the time any such "reconsideration event" occurs and for any new entities created.

In July 2006, the FASB released FASB Interpretation No. 48, "*Accounting for Uncertainty in Income Taxes—an Interpretation of SFASB Statement 109"*. FIN 48 is applicable to all uncertain positions for taxes accounted for under SFAS 109, "*Accounting for Income Taxes"*. FIN 48 prescribes a comprehensive model for how a company should recognize, measure, present, and disclose in its financial statements uncertain tax positions that we have taken or expect to take on a tax return (including a decision whether to file or not to file a return in a particular jurisdiction). Under the Interpretation, the financial statements will reflect expected future tax consequences of such positions presuming the taxing authorities' full knowledge of the position and all relevant facts, but without considering time values. The new accounting model for uncertain tax positions is effective for annual periods beginning after December 15, 2006. We do not expect that the adoption of FIN 48 will have a material impact on our financial statements, if any.

In September 2006, the FASB issued SFAS No. 157, "*Fair Value Measurements*". SFAS 157 prescribes a single definition of fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. SFAS 157 is effective for us beginning as of January 1, 2008. We do not anticipate that the adoption of SFAS 157 will have a material effect on our financial statements or our results of operations.

In February 2007, the FASB issued SFAS 159, "*The Fair Value Option for Financial Assets and Financial Liabilities*". SFAS 159, which is expected to expand fair value measurement, permits entities to choose to measure many financial instruments and certain other items at fair value. FAS 159 is effective for us beginning in the first quarter of 2008. We are currently assessing the impact FAS 159 may have on our financial statements.

29. Subsequent Events

In March 2007, we purchased a portfolio of nine aircraft and three spare engines. We were previously the lessee under a lease-in, lease-out structure for four of the nine aircraft for which we had recognized an onerous contract accrual (Note 16). The purchase economics reflected a discounted settlement of our onerous contract accrual. We have applied the principles in FASB Interpretation No. 26 "*Accounting for Purchase of a Leased Asset by the Lesee during the Term of the Lease—or Interpretation of FASB Statement 13*" (FIN 26) to the accounting for this transaction and reduced the net book value of the four purchased aircraft by the amount of the discount on the settlement of the onerous contract accrual. At the time of the purchase we had recognized a guarantee liability of $10,736 in relation to a guarantee we had given on the leases of these five aircraft to a U.S. airline. In connection with the purchase of the portfolio, our guarantee liability has been extinguished and we will recognize the $10,736 as other revenue in our 2007 consolidated income statement.

Additional Information—Financial Statements

Schedule I

AerCap Holdings N.V.

Condensed Balance Sheets

As of December 31, 2005 and 2006

	December 31,	
	2005	2006
	(adjusted)	(adjusted)
	(US dollars in thousands)	
Assets		
Cash and cash equivalents	$ 720	$ 792
Investments	540,529	750,659
Other assets	9,775	—
Total Assets	$ 551,024	$ 751,451
Liabilities and Shareholders' Equity		
Accrued expenses and other liabilities	350	447
Payable to subsidiary	130,913	—
Total Liabilities	131,263	447
Ordinary share capital, €.01 par value (200,000,000 ordinary shares authorized, 78,236,957 and 85,036,957 ordinary shares issued and outstanding, respectively)	646	699
Additional paid-in capital	369,354	591,553
Accumulated retained earnings	49,761	158,752
Total Shareholders' Equity	419,761	751,004
Total Liabilities and Shareholders' Equity	$ 551,024	$ 751,451

The accompanying notes are an integral part of these condensed financial statements.

AerCap Holdings N.V.

Condensed Income Statements

For the Year Ended December 31, 2004, the Six Months Ended June 30, 2005, the Period from June 27, 2005 to December 31, 2005 and the Year Ended December 31, 2006

	AerCap B.V.		AerCap Holdings N.V.	
	Year ended December 31, 2004	Six months ended June 30, 2005	June 27, 2005 to December 31, 2005	Year ended December 31, 2006
	(adjusted)	(adjusted)	(adjusted)	(adjusted)
	(U.S. dollars in thousands, except share and per share amounts)			
Revenues				
Lease revenue	$ 12,917	$ 6,904	$ —	$ —
Sales revenue	11,982	96,946	—	—
Management fee revenue	1,052	173	—	—
Interest revenue	1,587	2,034	—	—
Other revenue	2,135	223	—	—
Total Revenues	29,673	106,280	—	—
Expenses				
Depreciation	5,971	2,317	—	—
Cost of goods sold	7,200	107,060	—	—
Goodwill impairment	1,289	—	—	—
Interest on debt	63,039	36,535	16,128	—
Leasing expenses	10,661	3,297	—	—
Provision for doubtful notes and accounts receivable	(4,702)	(30)	—	—
Selling, general and administrative expenses	14,560	10,098	845	833
Total Expenses	98,018	159,277	16,973	833
Loss from continuing operations before income taxes and equity in (loss) profit of subsidiaries	(68,345)	(52,997)	(16,973)	(833)
Provision for income taxes	20,845	15,687	—	212
Equity in (loss) profit of subsidiaries	(59,386)	53,103	66,734	109,612
Net (Loss) Income	$ (106,886)	$ 15,793	$ 49,761	$ 108,991
Basic and diluted (loss) earnings per share	$ (145.19)	$ 21.45	$ 0.64	$ 1.38
Weighted average shares outstanding, basic and diluted	736,203	736,203	78,236,957	78,992,513

The accompanying notes are an integral part of these condensed financial statements.

AerCap Holdings N.V.

Condensed Statements of Cash Flows

For the Years Ended December 31, 2004, the Six Months Ended June 30, 2005, the Period from June 27, 2005 to December 31, 2005 and the Year Ended December 31, 2006

	AerCap B.V.		AerCap Holdings N.V.	
	Year ended December 31, 2004	Six months ended June 30, 2005	June 27, 2005 to December 31, 2005	Year ended December 31, 2006
	(US dollars in thousands)			
Net cash used in operating activities	$ (35,040)	$ (46,672)	$ (16,973)	$ (833)
Net cash provided by (used in) investing activities	201,710	180,425	(352,307)	(142,712)
Net cash (used in) provided by financing activities	(87,990)	(157,049)	370,000	143,617
Net increase (decrease) in cash and cash equivalents	$ 78,680	$ (23,296)	$ 720	$ 72
Cash and cash equivalents at beginning of period	47,307	125,987	—	720
Cash and cash equivalents at end of period	$ 125,987	$ 102,691	$ 720	$ 792

The accompanying notes are an integral part of these condensed financial statements.

1. General

The Company

AerCap Holdings N.V. is the parent company of a group that operates as an integrated global aviation company, conducting aircraft and engine leasing and trading and parts sales. AerCap Holdings N.V. is a holding company, whose principal purpose is to hold the shares in operating companies through which the AerCap group conducts is activities.

AerCap Holdings N.V. is a Netherlands public limited liability company ("naamloze vennootschap") formed on July 10, 2006 for the purpose of acquiring all of the assets and liabilities of AerCap Holdings C.V. AerCap Holdings C.V. was a limited partnership ("*commanditaire vennootschap*") formed under the laws of The Netherlands on June 27, 2005 for the purposes of acquiring the share capital, subordinated debt and senior debt of debis AirFinance B.V. ("AerCap B.V."), which occurred on June 30, 2005. In anticipation of our initial public offering, AerCap Holdings C.V. changed its holding company structure from a Netherlands partnership to a Netherlands public limited liability company, AerCap Holdings N.V. This change was effected through the acquisition of all of the assets and liabilities of AerCap Holdings C.V. by AerCap Holdings N.V. on October 27, 2006. Because our conversion from a Netherlands limited partnership to a Netherlands public limited liability company was accomplished in a common control transaction, these financial statements are presented as if our public limited liability holding company structure led by AerCap Holdings N.V. had existed as of June 27, 2005 (the formation date of AerCap Holdings C.V.) with total shares outstanding of 78,236,957. On November 27, 2006, we completed an initial public offering of 6,800,000 of our common shares at $23 per share generating net proceeds of $143,017 which we used to make additional equity investments in a subsidiary for the purpose of debt repayment at our subsidiary level.

The income statements and statements of cash flows for AerCap B.V. are presented to align with the financial statement presentation in our consolidated financial statements. These financial statements are not comparable to the Company's financial statements. As noted above, the Company acquired the shares in AerCap B.V., an operating company, on June 30, 2005.

2. Summary of significant accounting policies

Basis for presentation

The accompanying condensed financial statements are presented in accordance with accounting principles generally accepted in the United States of America.

The Company records its investment in its subsidiaries under the equity method of accounting as prescribed in APB Opinion No. 18, "*The Equity Method of Accounting for Investments in Common Stock*". Such investment is presented on the balance sheet as "Investment" and our portion of the subsidiaries' profit or loss as "Equity in (loss) profit of subsidiaries" on the income statements.

The subsidiaries of the Company did not pay any dividends to the Company for the periods presented.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted. The footnote disclosures contain supplemental information relating to the

operations of the Company, as such, these statements should be read in conjunction with the notes to the consolidated financial statements of AerCap Holdings N.V.

3. Commitments and contingencies

The Company has issued a declaration of liability as referred to in Article 403 of the Netherlands Civil Code in respect of its subsidiary, AerCap B.V. Such declaration operates as a full guarantee of all the obligations of AerCap B.V. to third parties.

The Company has guaranteed the re-payment of loans issued by some of its subsidiaries under commercial bank debt which is guaranteed by European credit agencies as further described in the consolidated financial statements of AerCap Holdings N.V. Amounts outstanding under these loans were $567,900 as of December 31, 2006.

AerCap Holdings N.V. and Subsidiaries

Unaudited Condensed Consolidated Interim Balance Sheets
As of December 31, 2006 and March 31, 2007

	December 31, 2006 (adjusted)	March 31, 2007
	(US dollars in thousands, except share and per share amounts)	
Assets		
Cash and cash equivalents	$ 131,201	$ 140,103
Restricted cash	112,277	99,459
Trade receivables, net of provisions	25,058	32,458
Flight equipment held for operating leases, net	2,966,779	3,074,519
Notes receivables, net of provisions	167,451	166,344
Prepayments on flight equipment	166,630	150,621
Investments	18,000	16,091
Goodwill	6,776	6,776
Intangibles	34,229	49,080
Inventory	82,811	72,115
Derivative assets	17,871	18,764
Deferred income taxes	96,521	87,612
Other assets	92,432	112,489
Total assets	$ 3,918,036	$ 4,026,431
Liabilities and shareholders' equity		
Accounts payable	$ 6,958	$ 7,222
Accrued expenses and other liabilities	92,466	70,828
Accrued maintenance liability	259,739	257,829
Lessee deposit liability	77,686	72,591
Term debt	2,555,139	2,665,987
Accrual for onerous contracts	111,333	72,718
Deferred revenue	28,391	29,065
Deferred income taxes	3,383	4,490
Total liabilities	3,135,094	3,180,730
Minority interest	31,937	31,685
Ordinary share capital, €.01 par value (200,000,000 ordinary shares authorized, 85,036,957 ordinary shares issued and outstanding)	699	699
Additional paid-in capital	591,553	593,999
Accumulated retained earnings	158,752	219,318
Total shareholders' equity	751,004	814,016
Total liabilities and shareholders' equity	$ 3,918,036	$ 4,026,431

The accompanying notes are an integral part of these condensed consolidated interim financial statements

AerCap Holdings N.V. and Subsidiaries

Unaudited Condensed Consolidated Interim Income Statements

For the Three Months Ended March 31, 2006 and 2007

	Three months ended March 31,	
	2006	2007
	(US dollars in thousands, except share and per share amounts)	
Revenues		
Lease revenue	$ 87,941	$ 139,703
Sales revenue	33,215	148,885
Management fee revenue	3,681	3,025
Interest revenue	8,934	7,272
Other revenue	5,322	10,587
Total revenues	**139,093**	**309,472**
Expenses		
Depreciation	24,324	33,932
Cost of goods sold	20,502	118,003
Interest on term debt	28,203	50,484
Operating lease in costs	6,356	6,237
Leasing expenses	4,528	4,032
Provision for doubtful notes and accounts receivable	(1,298)	(141)
Selling, general and administrative expenses	11,133	26,585
Total expenses	93,748	239,132
Income from continuing operations before income taxes and minority interest	**45,345**	**70,340**
Provision for income taxes	(10,430)	(10,026)
Minority interest, net of taxes	600	252
Net income	**$ 35,515**	**$ 60,566**
Earnings per share, basic and diluted	$ 0.45	$ 0.71
Weighted average shares outstanding, basic and diluted	78,236,957	85,036,957

The accompanying notes are an integral part of these condensed consolidated interim financial statements

AerCap Holdings N.V. and Subsidiaries

Unaudited Condensed Consolidated Interim Statements of Cash Flows

For the Three Months Ended March 31, 2006 and 2007

	Three months ended March 31,	
	2006	2007
	(US dollars in thousands)	
Net income	$ 35,515	$ 60,566
Adjustments to reconcile net income to net cash provided by operating activities		
Minority interest	(600)	(252)
Depreciation	24,324	33,932
Amortization of debt issuance costs	1,821	1,708
Amortization of intangibles	3,281	1,944
Gain on elimination of fair value guarantee	—	(10,736)
Provision for doubtful notes and accounts receivable	(1,298)	(141)
Capitalized interest on pre-delivery payments	(1,367)	(1,564)
Gain on disposal of assets	(12,713)	(24,961)
Mark-to-market of non-hedged derivatives	(7,252)	(893)
Deferred taxes	10,096	10,016
Share-based compensation	—	2,446
Changes in assets and liabilities		
Trade receivables and notes receivable, net	25,880	(6,152)
Inventories	—	10,779
Other assets and derivative assets	(1,013)	(7,498)
Accounts payable and accrued expenses, including accrued maintenance liability, lessee deposits	(24,333)	(51,185)
Deferred revenue	1,703	674
Net cash provided by operating activities	**54,044**	**18,683**
Purchase of flight equipment	(108,250)	(223,585)
Proceeds from sale/disposal of assets	33,215	126,905
Prepayments on flight equipment	(28,000)	(18,650)
Purchase of investments	(2,056)	—
Purchase of intangibles	—	(16,794)
Movement in restricted cash	27,188	12,818
Net cash used in investing activities	**(77,903)**	**(119,306)**
Issuance of term debt	133,057	246,503
Repayment of term debt	(60,797)	(135,655)
Debt issuance costs paid	(4,210)	(1,459)
Capital contributions from minority interests	25,000	—
Net cash provided by financing activities	**93,050**	**109,389**
Net increase in cash and cash equivalents	69,191	8,766
Effect of exchange rate changes	(229)	136
Cash and cash equivalents at beginning of period	$ 183,554	$ 131,201
Cash and cash equivalents at end of period	**$ 252,516**	**$ 140,103**
Supplemental cash flow information:		
Interest paid	$ 28,710	$ 41,422
Taxes paid	8	45

The accompanying notes are an integral part of these condensed consolidated interim financial statements

1. General

The Company

We are an integrated global aviation company, conducting aircraft and engine leasing and trading and parts sales. We also provide a wide range of aircraft management services to other owners of aircraft. We are headquartered in Amsterdam, The Netherlands, and have offices in Shannon, Ireland, Ft. Lauderdale and Miami, Florida and Goodyear, Arizona.

These condensed consolidated interim financial statements include the accounts of AerCap Holdings N.V. and its subsidiaries, including the accounts of AeroTurbine, Inc. ("AT") which was purchased on April 26, 2006. AerCap Holdings N.V. is a Netherlands public limited liability company ("naamloze vennootschap") formed on July 10, 2006 for the purpose of acquiring all of the assets and liabilities of AerCap Holdings C.V. AerCap Holdings C.V. was a limited partnership ("*commanditaire vennootschap*") formed under the laws of The Netherlands on June 27, 2005 for the purposes of acquiring the share capital, subordinated debt and senior debt of debis AirFinance B.V. ("AerCap B.V."), which occurred on June 30, 2005. In anticipation of our initial public offering which closed in November 2006, we changed our corporate structure from a Netherlands partnership to a Netherlands public limited liability company. This change was effected through the acquisition of all of the assets and liabilities of AerCap Holdings C.V. by AerCap Holdings N.V. on October 27, 2006. In accordance with Statement of Financial Accounting Standards ("SFAS") 141, *"Business Combinations"*, this acquisition was a transaction under common control and accordingly, AerCap Holdings N.V. recognized the acquisition of the assets and liabilities of AerCap Holdings C.V. at their carrying values and no goodwill or other intangible assets were recognized. Additionally in accordance with SFAS 141, these condensed consolidated interim financial statements are presented as if AerCap Holdings N.V. had been the acquiring entity of AerCap B.V. on June 30, 2005. On November 27, 2006, we completed an initial public offering on the New York Stock Exchange, in which we issued 6.8 million shares and our shareholders sold 19.3 million of their shares in us at $23 per share generating net proceeds to us of $143,017 which we used to repay debt.

Maintenance adjustment

On September 8, 2006, the Financial Accounting Standards Board issued FSP No. AUG AIR-1 "*Accounting for Planned Major Maintenance Activities*" ("FSP"). The FSP amends certain provisions in the AICPA Industry Audit Guide, "Audit of Airlines" and is applicable for our financial year beginning January 1, 2007. The FSP eliminates the "accrue in advance" methodology in accounting for certain future maintenance payments. As a result of the FSP, our previous method of accruing for the payment of top-up or lessor contribution obligations at the signing of a lease is no longer permitted. Accordingly, we have adjusted our historical financial statements in accordance with Statement of Financial Accounting Standards No. 154 "*Accounting Changes and Error Corrections"* ("FAS 154") to reflect the application of the new policy for top-up and lessor contribution obligations. Under our new policy, we will recognize an expense at the time of the occurrence of a lessor contribution payment or top-up payment, except in instances where we have established an accrual as an assumed liability for such payment, in connection with the purchase of an aircraft with a lease attached.

The table below summarizes the impact of the adjustment on our financial statement line items for all periods presented:

	Three months ended March 31, 2006		
	As Calculated under Previous Policy	As Calculated under New Policy	Effect of Change
Income Statement:			
Leasing expenses	6,063	4,528	(1,535)
Income from continuing operations before income taxes and minority interest	43,810	45,345	1,535
Provision for income taxes	(10,039)	(10,430)	(391)
Net income	34,371	35,515	1,144
Basic and diluted earnings per share	0.43	0.45	0.02
Statement of Cash Flows:			
Net income	34,371	35,515	1,144
Adjustments to reconcile net income to net cash provided by operating activities:			
Deferred taxes	9,705	10,096	391
Change in assets and liabilities:			
Accounts payable and accrued expenses, including accrued maintenance liability, lessee deposits	(22,798)	(24,333)	(1,535)
Net cash provided by operating activities	54,044	54,044	—

	December 31, 2006		
	As Calculated under Previous Policy	As Calculated under New Policy	Effect of Change
Balance Sheet:			
Deferred tax asset	101,477	96,521	(4,956)
Accrued maintenance liability	285,788	259,739	(26,049)

	As at March 31, 2007 and three months ended March 31, 2007		
	As Calculated under Previous Policy	As Calculated under New Policy	Effect of Change
Balance Sheet:			
Deferred tax asset	94,347	87,612	(6,735)
Accrued maintenance liability	294,171	257,829	(36,342)
Income Statement:			
Leasing expenses	14,325	4,032	(10,293)
Income from continuing operations before income taxes and minority interest	60,047	70,340	10,293
Provision for income taxes	(8,247)	(10,026)	(1,779)
Net income	52,052	60,566	8,514
Basic and diluted earnings per share	0.61	0.71	0.10
Statement of Cash Flows:			
Net income	52,052	60,566	8,514
Adjustments to reconcile net income to net cash provided by operating activities:			
Deferred taxes	8,237	10,016	1,779
Change in assets and liabilities:			
Accounts payable and accrued expenses, including accrued maintenance liability, lessee deposits	(40,892)	(51,185)	(10,293)
Net cash provided by operating activities	18,683	18,683	—

2. Summary of significant accounting policies

Basis for presentation

Our unaudited condensed consolidated interim financial statements are presented in accordance with accounting principles generally accepted in the U.S. (U.S. GAAP). These interim financial statements include all adjustments, consisting only of normal recurring adjustments and the elimination of all intercompany accounts and transactions, which are, in the opinion of management, necessary to provide a fair presentation of financial condition and results of operations for the periods presented. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles in the U.S. have been condensed or omitted pursuant to the rules and regulations of the Securities and Exchange Commission. These unaudited condensed consolidated interim financial statements should be read in conjunction with the financial statements and notes included in our audited consolidated financial statements included in this prospectus. The results of operations for the three months ended March 31, 2007 are not necessarily indicative of the results to be expected for the full fiscal year ending December 31, 2007.

3. Share-based compensation arrangement

No additional share or share options were issued under either our share-based incentive plan or the share-based incentive plan of the Bermuda holding companies which indirectly own 69% of our outstanding shares. Share-based compensation charges related to shares and share options issued under the incentive plan of the Bermuda holding companies totaling $0 and $2,447 have been recognized in selling, general and administrative expenses for the three months ended March 31, 2006 and 2007, respectively.

4. Purchase of aircraft subject to lease-in, lease-out transaction

In March 2007, we purchased a portfolio of nine aircraft and three spare engines. We were previously the lessee under a lease-in, lease-out structure for four of the nine aircraft for which we have recognized an onerous contract accrual. The purchase economics reflected a discounted settlement of our onerous contract accrual. We have applied the principles in "*Accounting for Purchase of a Leased Asset by the Lessee during the Term of the Lease—an interpretation of FASB Statement No. 13*" (FIN 26) to the accounting for this transaction and reduced the net book value of the four purchased aircraft by the amount of the discount on the settlement of onerous contract accrual. Prior to the purchase, we had recognized a guarantee liability on our consolidated balance sheet in relation to a guarantee we had given on the leases of these five aircraft to a U.S. airline. In connection with the purchase of the portfolio, our guarantee liability has been extinguished and we recognized $10,736 as other revenue in our condensed consolidated interim income statement for the three months ended March 31, 2007.

5. Segment information

Prior to the acquisition of AT, we operated in one reportable segment—leasing, financing and management of commercial aircraft. From the date of the acquisition of AT, we manage our business and analyzes and reports our results of operations on the basis of two business segments—leasing, financing, sales and management of commercial aircraft ("Aircraft") and leasing, financing and sales of engines and parts ("Engine and Parts").

The following sets forth significant information from our reportable segments:

	Three months ended March 31, 2006		
	Aircraft	Engines and parts(a)	Total
Revenues from external customers	$ 139,093	$ —	$ 139,093
Segment profit	35,515	—	35,515
Segment assets	3,171,011	—	3,171,011
Depreciation	24,324	—	24,324

	Three months ended March 31, 2007		
	Aircraft	Engines and parts(a)	Total
Revenues from external customers	$ 234,168	$ 75,304	$ 309,472
Segment profit	58,387	2,179	60,566
Segment assets	3,654,268	372,163	4,026,431
Depreciation	31,713	2,219	33,932

(a) Reporting for this segment began on April 26, 2006.

Segment profit represents net income of each segment. There were no intra-segment transactions which were necessary to eliminate in reporting segment information.

Geographical Information

The distribution of our lease revenue by geographic region is as follows for the periods indicated:

	Three months ended March 31, 2006	Three months ended March 31, 2007
Europe	33%	37%
Asia/Pacific	46%	33%
Latin America	3%	9%
North America and Caribbean	18%	21%
Africa/Middle East	—	—
	100%	100%

No lessee accounted for more than 10% of lease revenue in any of the periods indicated above. Sales revenue was comprised of 100% and 72% from our aircraft segment and 0% and 28% from our engine and parts segment for the three months ended March 31, 2006 and 2007, respectively. We have not provided a geographical breakdown of sales revenue because a material percentage of our sales are of movable flight equipment and are to buyers that have multiple locations. In addition, we have not provided a breakdown of management fee revenue, interest revenue or other revenue because such amounts are less material than lease and sales revenue and we do not believe a geographical breakdown of such revenues is helpful in identifying geographical concentration risks to our business.

6. Earnings per common share

Basic and diluted earnings per share (EPS) were calculated for the three months ended March 31, 2006 and 2007 with reference to net income and the number of weighted average shares outstanding as follows:

	Three months ended March 31, 2006	Three months ended March 31, 2007
Net income for the computation of basic and diluted earnings per share	$ 35,515	$ 60,566
Weighted average common shares outstanding	78,236,957	85,036,957
Basic and diluted earnings per share	$ 0.45	$ 0.71

7. Comprehensive income

Total comprehensive income consists solely of net income.

8. Recent Accounting Pronouncements

We adopted FASB Interpretation No. 48, "*Accounting for Uncertainty in Income Taxes—an Interpretation of SFAS Statement 109"* (FIN 48) on January 1, 2007. FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements and provides guidance on the recognition, de-recognition and measurement of benefits related to an entity's uncertain income tax positions. The adoption of FIN 48 did not have a material impact on our condensed consolidated interim financial statements. At January 1, 2007 and March 31, 2007, we had no unrecognized tax benefits. Our primary tax jurisdictions are the Netherlands, United States, Ireland and Sweden. Our tax returns in The Netherlands are open for examination from 2000 forward, in Ireland and Sweden from 2002 forward and in the United States from 2003 forward. With the exception of Sweden, none of our tax returns are currently subject to examination. Tax returns for the years 1999 and 2000 are currently being disputed by the Swedish tax authorities. We have not made any provision for the disputed tax liabilities under FAS 109 or FIN 48. When applicable, we record interest payments on tax liabilities as interest expense and penalties due as income tax expense.

In September 2006, the FASB issued SFAS No. 157, "*Fair Value Measurements*". SFAS 157 prescribes a single definition of fair value, establishes a framework for measuring fair value and expands disclosures of the fair value of assets and liabilities that require fair value measurements. SFAS 157 is effective for us beginning as of January 1, 2008. We do not anticipate that the adoption of SFAS 157 will have a material effect on our financial statements or our results of operations.

In February 2007, the FASB issued Statement No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities* (FAS 159). This statement, which is expected to expand fair value measurement, permits entities to choose to measure many financial instruments and certain other items at fair value. FAS 159 is effective for us beginning in the first quarter of 2008. We are currently assessing the impact FAS 159 may have on our consolidated financial statements.

9. Subsequent events

Aircraft Lease Securitisation (ALS) is a securitization vehicle which we established in 2005 to own and raise debt capital secured by 42 aircraft. ALS is a variable interest entity under FIN 46 for which we are the primary beneficiary by virtue of our ownership of the most junior tranche of debt capital in the vehicle. We consolidate the accounts of ALS in our financial statements. On May 8, 2007, ALS issued $1.66 billion of AAA-rated G-3 notes to refinance all but its most junior classes of notes and to increase the size of its securitized aircraft portfolio from 42 aircraft to 70 aircraft. The proceeds from the refinancing, in addition to the issuance of a new class of E-2 junior notes held by us were used to redeem $812.1 million of G-1A, G-2A, C-1 and D-1 classes of ALS debt held by third parties and to finance 28 additional aircraft that had been secured by a variety of other debt structures within the our consolidated group or are contracted to be acquired by us. The G-3 notes issued have a final legal maturity date of May 10, 2032 and bear interest at one-month LIBOR plus 26 basis points. As a result of the ALS refinancing, we expect to incur charges in the second quarter of 2007 of approximately $26 million for the write-off of unamortized debt issuance costs from the refinanced debt in addition to ALS notes prepayment and other related fees

Concurrently, with the ALS refinancing, we amended and restructured our revolving warehouse facility (AerFunding), resulting in a reduced interest rate spread and a two year extension to the revolving period. The size of the AerFunding facility remains $1.0 billion.

Independent Auditors' Report

The Board of Directors
AeroTurbine, Inc.:

We have audited the accompanying combined balance sheet of AeroTurbine, Inc. and Affiliate (the Company) as of December 31, 2005, and the related combined statements of operations, shareholders' equity, and cash flows for the year then ended. These combined financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these combined financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of AeroTurbine, Inc. and Affiliate as of December 31, 2005, and the results of their operations and their cash flows for the year then ended, in conformity with U.S. generally accepted accounting principles.

As discussed in Note 13 to the combined financial statements, on April 26, 2006, the Company was acquired by AerCap, Inc.

/s/ KPMG LLP

July 24, 2006
Miami, Florida
Certified Public Accountants

AEROTURBINE, INC. AND AFFILIATE

Combined Balance Sheet

December 31, 2005

Assets		
Current assets:		
Cash and cash equivalents	$	516,142
Accounts receivable:		
Trade, net of allowance of approximately $3,100,985		18,354,367
Notes receivable		78,258
Other receivables		923,325
Inventory		56,674,416
Other current assets		2,017,247
Total current assets		78,563,755
Equipment held for operating leases, net		118,494,824
Property and equipment, net		3,353,148
Deposits and other assets		1,475,991
Total assets	$	201,887,718
Liabilities and Shareholders' Equity		
Current liabilities:		
Current portion of loan payable—revolving credit facility	$	6,400,000
Accounts payable		2,371,812
Accrued expenses		3,978,223
Deferred revenue		1,136,435
Short-term lessee deposits		5,184,047
Total current liabilities		19,070,517
Long-term lessee deposits		467,000
Loan payable—revolving credit facility, less current portion		100,400,000
Total liabilities		119,937,517
Commitments and contingencies		
Shareholders' equity:		
Common stock:		
Series B, $0.001 par value. 45,000 shares authorized, issued, and outstanding		45
Common stock, no par value. 1,000 shares authorized, issued, and outstanding		1,000
Additional paid-in capital		9,572,641
Retained earnings		72,376,515
Total shareholders' equity		81,950,201
Total liabilities and shareholders' equity	$	201,887,718

See accompanying notes to combined financial statements.

AEROTURBINE, INC. AND AFFILIATE

Combined Statement of Operations

Year ended December 31, 2005

Revenue:		
Engine, aircraft, and parts sales	$	87,745,750
Engine and aircraft leasing		34,938,657
Total operating revenue		122,684,407
Cost of sales:		
Engine, aircraft, and parts sales		59,380,705
Engine and aircraft leasing		19,849,413
Total cost of sales		79,230,118
Gross profit		43,454,289
Selling, general, and administrative expenses		16,470,843
Income from operations		26,983,446
Other income (expenses):		
Interest expense		(7,613,674)
Interest income		7,561
Other income, net		915,180
Total other expenses		(6,690,933)
Net income	$	20,292,513
Pro forma net income (unaudited):		
Net income as reported	$	20,292,513
Pro forma for income taxes (Note 1(o))		(7,883,239)
Pro forma net income	$	12,409,274

See accompanying notes to combined financial statements.

AEROTURBINE, INC. AND AFFILIATE

Combined Statement of Shareholders' Equity

Year ended December 31, 2005

	Common stock				
	Series B	Common stock	Additional paid capital	Retained earnings	Total shareholders' equity
Balance at December 31, 2004	$ 45	$ 1,000	$ 999,955	$ 66,968,688	$ 67,969,688
Net income	—	—	—	20,292,513	20,292,513
Shareholder contributions	—	—	8,572,686	—	8,572,686
Shareholder distributions	—	—	—	(14,884,686)	(14,884,686)
Balance at December 31, 2005	$ 45	$ 1,000	$ 9,572,641	$ 72,376,515	$ 81,950,201

See accompanying notes to combined financial statements.

AEROTURBINE, INC. AND AFFILIATE

Combined Statement of Cash Flows

Year ended December 31, 2005

Cash flows from operating activities:		
Net income	$	20,292,513
Adjustments to reconcile net income to net cash used in operating activities:		
Unrealized derivative gain		(131,870)
Depreciation and amortization		5,915,121
Amortization of loan origination and other costs		930,896
Inventory scrap write-off		1,357,382
Impairment of equipment held for operating leases		1,909,062
Bad debt expense		1,410,434
Other		94,206
Change in operating assets and liabilities:		
Decrease (increase) in:		
Trade accounts and notes receivable		(9,112,972)
Inventories		(26,244,348)
Other current assets		1,401,997
Other receivables		(923,325)
Equipment held for operating lease, net		(27,070,070)
Deposits and other assets		(313,194)
Increase (decrease) in:		
Accounts payable		(1,326,312)
Accrued expenses		1,760,087
Deferred revenue		611,358
Lessee deposits		3,030,717
Net cash used in operating activities		(26,408,318)
Cash flows from investing activities:		
Purchase of property and equipment		(2,043,742)
Disposition of property and equipment		1,979
Net cash used in investing activities		(2,041,763)
Cash flows from financing activities:		
Net borrowings under credit facilities		36,800,000
Fees related to amended credit facilities		(429,970)
Proceeds from Bridge Loan		10,000,000
Repayment of Bridge Loan		(10,000,000)
Proceeds from shareholder loans		1,300,000
Payments on shareholder loans		(3,081,600)
Shareholder contributions		8,572,686
Shareholder distributions		(14,884,686)
Net cash provided by financing activities		28,276,430
Net decrease in cash and cash equivalents		(173,651)
Cash and cash equivalents at beginning of year		689,793
Cash and cash equivalents at end of year	$	516,142
Supplemental disclosures of cash flow information:		
Cash paid for interest	$	6,993,841

See accompanying notes to combined financial statements.

(1) Summary of Significant Accounting Policies and Practices

(a) Description of Business

AeroTurbine, Inc. (ATI) is a Delaware corporation engaged primarily in the distribution of turbojet aircraft, engines, and related parts as well as the sale, lease, and overhaul management of aircraft and engines to the commercial aviation industry worldwide.

AeroTurbine Capital Corp. (ATC) is a Florida corporation engaged primarily in the sale and lease of turbojet aircraft and engines. ATC was formed in 2002 by the shareholders of ATI and is considered an entity under common ownership with ATI. ATI and ATC are collectively referred to as the "Company".

As discussed in Note 13, the Company was acquired by AerCap, Inc. (AerCap) on April 26, 2006.

(b) Basis of Combination

The combined financial statements include the accounts of ATI and ATC. ATI and ATC are combined under the guidance in Accounting Research Bulletin No. 51, *Consolidated Financial Statements*. ATI and ATC are entities under common ownership and are related in their operations. All significant intercompany accounts and transactions have been eliminated in combination.

(c) Derivative Instruments

The Company accounts for derivatives and hedging activities in accordance with Statement of Financial Accounting Standard (SFAS) No. 133, *Accounting for Derivative Instruments and Certain Hedging Activities*, as amended, which requires that all derivative instruments be recorded on the balance sheet at their respective fair values. The fair values were based on quotes provided by the respective bank counterparties.

Under the terms of the revolving credit facility, ATI was required to enter into interest rate swaps to mitigate the Company's exposure to changes in interest rates. Two swaps for $10,000,000 each were executed in January 2004, mature December 2006, and are based on the spread between one-month LIBOR rates and fixed rates of 2.58% and 2.67%, respectively. The interest rate swaps were not designated as hedging instruments under SFAS No. 133. The fair value of these swaps total $417,277 at December 31, 2005, and is included in other current assets. Changes in the fair value of the interest rate swaps, which amounted to a gain of $131,870 for the year ended December 31, 2005, are included as a component of interest expense in the accompanying combined statement of operations.

(d) Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents. The Company's cash equivalents are held primarily in interest-bearing accounts.

(e) Accounts and Notes Receivable

Accounts receivable include amounts receivable from customers for parts sales, engine sales, and engine leases. Time and cycle charges related to aircraft and engine usage that were earned but unbilled are also included in accounts receivable and totaled $1,318,342 at December 31, 2005.

Notes receivable consist primarily of notes from the settlement of disputed customer accounts receivable. As of December 31, 2005, the Company had one non-interest bearing note receivable due in 2006.

The Company records a provision for doubtful receivables to allow for any amounts which may be unrecoverable and is based upon an analysis of the Company's prior collection experience, customer creditworthiness, and current economic trends.

(f) Inventory

Inventory is valued at the lower of cost or market. Cost is primarily determined using the specific identification method for individual part purchases and whole engines and on an allocated basis for dismantled engines, aircraft, and bulk inventory purchases using the relationship of the cost of the dismantled engine, aircraft, or bulk inventory purchase to estimated remaining sales value at the time of purchase. Inventories are comprised primarily of engines, aircraft and engine parts, rotables and expendables. Expenditures required for the recertification or betterment are capitalized in inventory and are expensed as the parts associated with such costs are sold.

(g) Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation and amortization. Depreciation and amortization is calculated on the straight-line method over the estimated useful lives of the property and equipment, ranging from 3 to 7 years. Leasehold improvements are amortized using the straight-line method over the shorter of the lease term, including anticipated renewal periods or the estimated useful life of the related asset. Repairs and maintenance expenditures are expensed as incurred, unless such expenses extend the useful life of the asset, in which case they are capitalized.

(h) Equipment Held for Operating Lease

Aircraft assets held for operating lease are stated at cost, less accumulated depreciation. Certain external professional fees incurred in connection with the acquisition and leasing of aircraft assets are capitalized as part of the cost of such assets. The Company depreciates current production model engines on a straight-line basis over a 15-year period from the acquisition date to an estimated residual value. Out-of-production engines are depreciated on a straight-line basis over an estimated useful life ranging from 5 to 7 years to an estimated residual value. The Company depreciates airframes to their residual value over the airframe's lease term or, if not on lease, the remaining life of the airframe based on a 25-year life from its manufactured date. Maintenance and repair costs for equipment held for operating lease is included in cost of sales for engine and aircraft leasing as incurred.

Cash flows related to equipment held for operating leases have been presented in the accompanying financial statements as operating activities. This conclusion is based on the guidance in SFAS No. 95, *Statement of Cash Flows*, whereby the predominant source of cash flows related to these assets is expected to be from the ultimate sale of these assets through the Company's parts business. In prior periods, the Company had presented these cash flows as investing activities. Therefore, the current year presentation of these cash flows differs from prior year presentation.

The Company classifies equipment held for operating lease as a long-term asset until such time as the asset is transferred to the inventory pool and held for sale through the Company's parts business.

(i) Impairment of Long-Lived Assets

In accordance with SFAS No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets* , long-lived assets such as property and equipment and equipment held for operating lease are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated undiscounted future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset (see Note 5).

(j) Revenue Recognition

Sales from engine, aircraft, and parts sales are reported net of estimated returns and allowances. The reserve for returns and allowances is calculated as a percentage of sales based on historical return percentages. Sales and related cost of sales are recognized when title transfers primarily upon shipment of the product, when no significant contractual obligations remain and collection of the related receivable is reasonably assured. Revenue from equipment held for operating leases is recognized on a straight-line basis over the term of the lease. Certain of the Company's lease contracts call for billings in advance. Rentals received, but unearned are recorded as deferred revenue on the balance sheet. In addition to a monthly lease rate, some lease contracts require the lessee to pay supplemental rent based on the usage of the leased asset. Fees for such usage are recognized as revenue in the month of usage.

(k) Maintenance and Repair Costs

Maintenance and repair costs incurred based on the lease contract or for assets off lease are accounted for under the direct expense method, whereby scheduled maintenance and repair costs are expensed as incurred.

Maintenance and repair costs for equipment held for operating leases are generally the responsibility of the lessee. Under certain lease agreements, the Company is required to refund the lessee an amount equal to the major overhaul of an engine not to exceed the amount of the usage fee the Company collected from the lessee. Usage fees collected and not refunded during the lease term are not refundable at the end of the lease term. During the term of the lease, the Company maintains the right to approve the repair station and the right to approve the repairs or maintenance to be performed. The Company also has the option to exchange the engine requiring repair or maintenance with an engine that does not require repair or maintenance.

(l) Freight Costs

Freight costs are included in cost of sales in the accompanying combined statement of operations. Freight costs included in cost of sales were $1,251,325 for the year ended December 31, 2005.

(m) Disclosures About Fair Value of Financial Instruments

SFAS No. 107, *Disclosures About Fair Value of Financial Instruments*, requires disclosure of the fair value of certain financial instruments. Cash and cash equivalents, receivables, prepaids and other current assets, as well as accounts payable and accrued expenses as reflected in the combined financial statements, approximate fair value because of the short-term maturity of these instruments. The estimated fair value of debt instruments approximates their carrying amounts, as these debt instruments have variable interest rates.

(n) Income Taxes

The Company has elected S corporation status for federal income taxes purposes, and as such its earnings are not subject to U.S. federal income tax at the corporate level. Instead, the earnings of the Company are taxed at the shareholder level.

Effective on January 1, 2000, the shareholders of ATI elected to convert ATI from a C corporation to an S corporation for tax purposes. ATC was incorporated on November 19, 2002. The owners elected S corporation status for tax purposes at that time. Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities for the periods prior to the conversion to an S corporation are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. As a result of electing S corporation status, the net deferred tax liability of $1,308,500 at December 31, 1999 was eliminated.

C corporations that subsequently elect S corporation status may be subject to a corporate-level tax on the net unrealized built-in gain at the date of conversion that is realized over the ten-year period subsequent to the conversion. Because a corporation with net unrealized built-in gains may be subject to corporate level income taxes, it may be required to record a deferred tax liability related to such built-in gains. However, since the built-in gain will only be recognized if a built-in gain asset is disposed of during the ten-year period after conversion to S corporation status, it is possible that management can control recognition of any potential gain. It is within management's ability and they have the intent not to dispose of assets with significant built-in gains during the remaining post conversion period. Accordingly, no deferred tax liabilities have been recorded as of December 31, 2005.

(o) Pro forma Information (unaudited)

Pro forma adjustments are reflected on the combined statement of operations to provide for income taxes in accordance with SFAS No. 109, *Accounting for Income Taxes*, as if the Company had been a C corporation for the period presented. A combined statutory Federal and state effective tax rate of 38.85% was used for the pro forma enacted tax rate. Upon the completion of the acquisition of the Company by AerCap, as discussed in Note 13, the Company's S corporation status was terminated.

(2) Significant Risk and Uncertainties

(a) Use of Estimates

Management of the Company has made a number of estimates and assumptions relating to the reporting of assets and liabilities and revenue and expenses and the disclosure of contingent assets and liabilities to prepare these combined financial statements in conformity with U.S. generally accepted accounting principles. Actual results could differ from those estimates.

(b) Geographic Data

Engine, aircraft, and parts sales revenue, and engine and aircraft leasing revenue is attributable to countries based on the location of the customer. The following summarizes the geographic data related to engine, aircraft, and parts sales, and engine and aircraft leasing revenue for the year ended December 31, 2005:

Engine, aircraft, and parts sales:		
United States	$	58,987,774
Brazil		6,549,281
Ireland		5,964,115
Colombia		5,094,449
Other countries		11,150,131
	$	87,745,750
Engine and aircraft leasing:		
Brazil	$	11,326,874
United States		5,711,712
Canada		3,692,613
Indonesia		2,966,225
Colombia		2,708,605
Other countries		8,532,628
	$	34,938,657

(c) Concentrations of Risk

Financial instruments that potentially subject the Company to credit risk principally consist of cash and cash equivalents and trade and notes receivables.

Cash—The Company at times maintains cash balances in excess of amounts insured by U.S. federal agencies.

Trade and notes receivables—The Company sells to a variety of customers worldwide. For certain transactions and customers not requiring payment in full prior to shipment of goods, the Company extends credit based on an evaluation of the customer's financial condition. The Company monitors exposure to credit losses and maintains an allowance for bad debts. At December 31, 2005, ten customers accounted for 57% of trade receivables, of which one customer accounted for 17%. Ten

customers accounted for 82% of engine, aircraft, and parts sales revenue for the year ended December 31, 2005. Three customers individually accounted for 17%, 13%, and 10% respectively, of the engine, aircraft, and parts sales revenue for the year ended December 31, 2005. Five customers accounted for 62% of engine and aircraft leasing revenue for the year ended December 31, 2005. One customer accounted for 32% of the engine and aircraft leasing revenue.

(d) Interest Rate Risk

To mitigate exposure to interest rate changes, the Company has entered into two interest rate swap agreements. As of December 31, 2005, such swap agreements had notional values totaling $20,000,000 and were based on the spread between one-month LIBOR rates and fixed rates of 2.58% and 2.67%, respectively. Both interest rate swaps have remaining terms of approximately 12 months (see Note 1(c)).

The Company is impacted by the general economic conditions of the aviation industry and is also subject to regulation by various governmental agencies with responsibilities over civil aviation. Increased regulations imposed by organizations such as the Federal Aviation Administration may significantly affect industry operations.

(3) Inventory

Inventory consists of the following at December 31, 2005:

Engine and airframe parts	$	45,391,248
Work-in-process		3,101,041
Airframes		400,000
Engines		7,782,127
	$	56,674,416

The Company's entire inventory serves as collateral for the Credit Facility.

(4) Property and Equipment

Property and equipment, net consists of the following at December 31, 2005:

Furniture, fixtures, and computer equipment	$	570,688
Engine stands		511,092
Building and leasehold improvements		64,300
Machinery and equipment		1,580,208
Automobiles		19,422
Construction in progress		1,850,010
		4,595,720
Less accumulated depreciation and amortization		(1,242,572)
	$	3,353,148

Construction in progress consists primarily of incurred costs related to the improvements on the office section of the building being leased from a related party. A significant portion of the construction was completed by the end of May 2006, allowing the Company to occupy the space. Amounts will be reclassified in the subsequent period to the appropriate asset accounts and depreciated over the life of the lease or the estimated useful life, whichever is shorter. Depreciation and amortization expense amounted to $313,446 for the year ended December 31, 2005 and is included in selling, general, and administrative expenses.

(5) Equipment Held for Operating Leases

Equipment held for operating leases, net, primarily aircraft and engines, consists of the following at December 31, 2005:

Equipment held for operating leases	$	140,153,877
Less accumulated depreciation		(21,659,053)
	$	118,494,824

Depreciation expense amounted to $5,601,675 for the year ended December 31, 2005 and is included in cost of sales for engine and aircraft leasing.

During 2005, five engines were determined to be impaired based on an analysis of the expected realizable value compared to the carrying value. An impairment charge of $1,909,062, the amount the carrying value exceeded the realizable value, is included in cost of sales for engine and aircraft leasing in the accompanying combined statement of operations.

(6) Accrued Expenses

The following is a summary of the components of accrued expenses as of December 31, 2005:

Accrued engine repair and maintenance costs	$	3,069,036
Accrued compensation and related benefits		496,377
Accrued professional fees		202,065
Other		210,745
	$	3,978,223

(7) Credit Facilities

ATI was party to a $65 million credit agreement (the Credit Facility) with several banks and financial institutions with Wachovia Bank as administrative agent and National City Bank as syndication agent. The Credit Facility had a Maturity Date of December 29, 2006, and was secured by significantly all assets of ATI and was guaranteed jointly and severally by the shareholders of ATI. As discussed below and in Note 12, the entire outstanding balance of the Credit Facility was refinanced in 2006.

On October 15, 2004, the bank syndication group amended the line of credit of the Credit Facility to $120 million (the First Amendment). On May 20, 2005, the Credit Facility was amended by the Second Amendment to the Credit Facility (the Second Amendment). The Second Amendment amended the eligible borrowing base equipment and parts, as well as certain administrative sections of the Credit Facility.

The Credit Facility allowed for alternate base rate borrowings, swingline borrowings, and LIBOR borrowings. Interest rates varied over the life of the credit facility based on certain financial ratios maintained by ATI. For the alternate base rate loan, the rates varied from prime rate plus zero basis points to prime rate plus 100 basis points. Swingline and LIBOR borrowing interest rates varied from LIBOR plus 275 basis points to LIBOR plus 375 basis points (at December 31, 2005 the rate was LIBOR plus 325 basis points). At December 31, 2005, ATI had $106,800,000 outstanding of which $93,000,000 were LIBOR borrowings, $13,500,000 were alternate base rate borrowings and $300,000 were swingline borrowings, with interest rates of 7.63%, 7.75%, and 7.75%, respectively. The only required payments prior to the maturity date were interest payments.

Under the Credit Facility, an annual commitment fee of 50 basis points was charged on the unused portion of the Credit Facility (excluding swingline borrowings), which was $13,500,000 at December 31, 2005. Utilization fees of $127,944 were paid in 2005.

Loan origination and other costs related to the execution of the Credit Facility were $1,363,674. An additional $539,018 in loan origination and other costs were incurred in the First Amendment of the Credit Facility. An additional $331,252 in loan origination and other costs were incurred in the Second Amendment of the Credit Facility. These costs are included in other current assets and are being amortized over the life of the Credit Facility. Amortization expense for 2005 was $832,178 and is included in interest expense.

On March 25, 2005, the Company entered into a $10,000,000 bridge loan agreement (Bridge Loan) which matured on June 23, 2005 with Wachovia Bank. The proceeds from the Bridge Loan were used to finance the acquisition of an aircraft. The Bridge Loan was secured by the aircraft and shareholder guarantees. Under the terms of the loan, principal payments were due to Wachovia if the aircraft or any engine or parts were sold. On June 22, 2005, the remaining principal balance was paid off.

The interest rate on the Bridge Loan was LIBOR plus 3.75% with interest payable in arrears at maturity. Interest expense for the Bridge Loan amounted to $140,609 for the year ended December 31, 2005.

Loan origination and other costs associated with the execution of the Bridge Loan totaled $98,718, all of which is included in interest expense in the operating results of the Company.

Subsequent to year end, the Company refinanced the entire outstanding balance of the Credit Facility which was scheduled to mature in 2006. As of December 31, 2005, $6,400,000 of the outstanding debt obligation is classified as current based on the refinanced term-loan amortization payments required in 2006. In accordance with SFAS No. 6, *Classification of Short-Term Obligations Expected to Be Refinanced—An amendment of ARB No. 43, Chapter 3A*, the balance of the outstanding debt obligation is classified as long-term based on the refinancing of currently maturing debt obligations with long-term debt obligations (see Note 13).

(8) Shareholders' Equity

Shares of common stock outstanding and the additional paid-in capital by combined entity as of December 31, 2005 are as follows:

	ATI	ATC	Combined
Common stock—Series B	$ 45	—	45
Common stock	$ —	1,000	1,000
Additional paid-in capital	$ 999,955	8,572,686	9,572,641

(9) Related-Party Transactions

The Company, in the normal course of its operations, engages in transactions with certain of its shareholders or their affiliates. Transactions for the year ended December 31, 2005 were for rent and related expenses of $1,278,399.

As further described in Note 11(a), the Company leases its Florida headquarters and warehouse from an entity owned by the shareholders of the Company.

On September 9, 2004, the shareholders of the Company loaned ATC $2,810,000 to be used as a deposit guarantee on the performance of ATI related to an aircraft and engine purchase agreement. The notes were repaid as ATI made payments under the agreement. In 2005, all required payments were made under the purchase agreement and the loan balances were paid in full.

On March 25, 2005, the shareholders of the Company loaned ATC $1,300,000 to be used along with amounts financed to purchase an aircraft. In addition to funding a portion of the amounts required to purchase the aircraft, the shareholders each personally guaranteed the Company's performance under the loan. The loans were repaid in June 2005.

(10) Employee Benefit Plan

In 2005, the Company instituted a defined contribution plan. The defined contribution plan is a profit sharing plan intended to qualify as a 401(k) plan under the Internal Revenue Code. The 401(k) plan is a contributory plan available to employees, who at the end of their first 12 consecutive months of employment with the Company, have been credited with at least 1,000 hours of service. If at the end of the first consecutive 12 months the employee has not been credited with 1,000 hours of service, the employee will meet the requirement once they complete the required hours of service during any plan year. In 2005, the Company's matching contributions to the defined contribution plan were 3% of pre-tax earned salary or wages and totaled $124,163.

(11) Commitments and Contingencies

(a) Leases

Operating Leases as Lessee

The Company leases its Florida headquarters and warehouse under a non-cancelable operating lease which expires December 31, 2013. This lease is with a related party that is controlled by the same shareholders of the Company. For the year ended December 31, 2005, total rent and related expense approximated $1,319,579, of which $1,278,399 was with a related party for the year ended December 31, 2005.

At December 31, 2005, future minimum lease rental payments, primarily with a related party, are as follows:

Year ending December 31:	
2006	$ 898,800
2007	898,800
2008	898,800
2009	898,800
2010	898,800
2011 and thereafter	2,696,400
	$ 7,190,400

The lease was amended in March 2006 to provide that the lease rental amounts will be adjusted to a current fair market rent level beginning on January 1, 2007. Additionally, commencing on January 1, 2008, and January 1 of each rental year thereafter, rent for the premises shall increase or decrease based on the percentage change in the U.S. Department of Labor Consumer Price Index. The minimum lease payments in the above table do not reflect these changes because the current fair market value has not been determined.

Operating Leases as Lessor

One of the Company's product offerings is the leasing of aircraft and engines. These lease agreements provide for a fixed time charge plus variable charge for usage. The remaining lease term on lease agreements outstanding as of December 31, 2005 ranges from 1 to 49 months.

Contingent rental fees related to usage were $14,503,504 in 2005.

The amounts in the following table are based upon the assumption that equipment under operating leases will remain on lease for the length of time specified by the respective lease agreements.

At December 31, 2005, future minimum lease receipts, which exclude contingent rentals, are as follows:

Year ended December 31:	
2006	$ 4,109,662
2007	1,014,000
2008	504,484
2009	474,000
2010	1,274
	$ 6,103,420

(b) Management Compensation

As described in Note 13, the shareholders of the Company sold their shares to AerCap on April 26, 2006. As part of the sale agreement, the shareholders entered into four-year employment contracts with the Company and also entered into two-year non-compete agreements, commencing upon the shareholder's separation from the Company.

Certain management entered into employment agreements with ATI in 2005. The contracts are for a period of three years and include a change in control bonus payable upon such an event and retention bonuses payable in three annual installments after the change in control event occurs, if the employee is employed on those payment dates. The contracts include two-year non-compete clauses commencing upon the employee's separation from the Company for any reason.

(c) Litigation

The Company is a party to various claims and legal actions arising in the ordinary course of business. In the opinion of management, although the outcome of any legal proceedings cannot be predicted with certainty, the ultimate disposition of these matters will not have a material adverse effect on the Company's financial position, results of operations, or liquidity.

(d) Purchase Commitments

On December 22, 2005, the Company entered into a contract with Midwest Airlines to purchase two MD-81 aircraft for $1,100,000 each. As of December 31, 2005, one of the aircraft had been delivered. The remaining aircraft was delivered May 18, 2006.

(12) Accounting Pronouncements

In November 2004, the Financial Accounting Standards Board (FASB) issued SFAS No. 151, *Inventory Costs—An Amendment of ARB No. 43, Chapter 4*. SFAS No. 151 clarifies that abnormal inventory costs, such as costs of idle facilities, excess freight and handling costs, and wasted materials (spoilage) are required to be recognized as current period charges. Additionally, SFAS No. 151 requires that the allocation of fixed production overheads to the costs of conversion be based on the normal capacity of the production facility. The provisions of SFAS No. 151 are effective for the Company's fiscal year beginning January 1, 2006. The Company does not expect the adoption of SFAS No. 151 to have any impact on the Company's combined financial position or results of operations.

In December 2004, the FASB issued SFAS No. 153, *Exchanges of Nonmonetary Assets—An Amendment of APB Opinion No. 29, Accounting for Nonmonetary Transactions.* SFAS No. 153 eliminates the exception from fair value measurement for nonmonetary exchanges of similar productive assets in paragraph 21(b) of Accounting Principles Board Opinion No. 29, *Accounting for Nonmonetary Transactions*, and replaces it with an exception for exchanges that do not have commercial substance. SFAS No. 153 specifies that a nonmonetary exchange has commercial substance if the future cash flows of the entity are expected to change significantly as a result of the exchange. The provisions of SFAS No. 153 are effective for the Company's fiscal year beginning January 1, 2006. The Company does not expect the adoption of SFAS No. 153 to have any impact on the Company's combined financial position or results of operations.

On May 31, 2006, the FASB issued proposed FASB Staff Position (FSP) AUG AIR-a, *Accounting for Planned Major Maintenance Activities*. The FSP addresses the accounting for planned major maintenance activities. This FSP amends certain provisions in the American Institute of Certified Public Accountants Industry Audit Guide, *Audits of Airlines* (the Airline Guide). The Airline Guide allows four accounting methods related to planned major maintenance (overhaul) activities: direct expense method, built-in overhaul method, deferral method, and the accrual method. The proposed FSP will prohibit the use of the accrue-in-advance method of accounting for planned major maintenance activities. The Company's current accounting policy for planned major maintenance is the

direct expense method, one of the three acceptable methods. If approved as proposed, the Company does not believe it will have a material impact on its combined financial position or results of operations. If approved, the effective date of adoption would be for the first fiscal year beginning after December 31, 2006.

(13) Subsequent Events

ATI and ATC have common ownership, but at December 31, 2005 did not have any direct interest in each other. On March 31, 2006, the owners of ATC contributed their shares of ATC to ATI, with ATC becoming a wholly owned subsidiary of ATI.

On March 17, 2006, the shareholders of the Company entered into an agreement with AerCap to sell 100% of their shares of ATI stock, subject to certain closing conditions and governmental approvals. The sale was completed on April 26, 2006.

AerCap provides aircraft leasing to airlines, and asset management services to aircraft owners and investors on a global basis.

The Company will operate as a wholly owned subsidiary of AerCap. As part of the sale agreement, the shareholders have entered into long-term employment contracts.

Also on April 26, 2006, the Company replaced its existing Credit Facility with new credit facilities (the New Credit Facilities) with several banks and financial institutions with Calyon as administrative agent and HSH Nordbank AG as syndication agent. The New Credit Facilities consist of a $160 million senior secured term loan (the Term Loan), a $171 million senior revolver loan (the Revolver) and a $15 million junior loan (the Junior Loan).

The Term Loan and Revolver are secured by significantly all assets of the Company. The Junior Loan has subordinated rights in all assets of the Company and is guaranteed by AerCap B.V., the ultimate parent company of AerCap. The New Credit Facilities mature on April 26, 2011.

The Term Loan amortizes at a minimum rate of 2% per quarter ($3,200,000). To the extent that the eligible assets of the Company are less than the outstanding balance of the Term Loan and the Revolver, additional principal payments may be due.

Minimum principal payments on the term loan are as follows:

Year ended December 31:	
2006	$ 6,400,000
2007	12,800,000
2008	12,800,000
2009	12,800,000
2010	12,800,000
2011	102,400,000
	$ 160,000,000

As part of the New Credit Facilities, the Company is required to enter into an interest rate swap with a notional value of $60,000,000 for the period July 15, 2006 through July 15, 2008, with a step up in notional value to $80,000,000 on January 15, 2007. Under the terms of the swap, the Company pays 5.3825% and receives three month LIBOR. There are certain covenants in the New Credit Facilities which can trigger a default by the Company.

20,000,000 Shares

AerCap Holdings N.V.

Ordinary Shares

Prospectus

Morgan Stanley

Goldman, Sachs & Co.

Lehman Brothers

Merrill Lynch & Co.

UBS Investment Bank

Wachovia Securities

JPMorgan

Citi

Calyon Securities (USA) Inc.

, 2007

PART II

INFORMATION NOT REQUIRED IN THE PROSPECTUS

Expenses of Issuance and Distribution

The expenses, other than underwriting commissions, expected to be incurred by the selling shareholders in connection with the issuance and distribution of the securities being registered under this Registration Statement are estimated to be as follows:

	Selling Shareholders
SEC registration fee	$ 22,736
National Association of Securities Dealers, Inc. filing fee	75,500
New York Stock Exchange listing fee	85,000
Printing and engraving costs	350,000
Legal fees and expenses	357,250
Advisory fees	3,013,200
Accounting fees and expenses	860,000
Transfer agent fees	4,000
Miscellaneous	120,000
Total	$ 4,887,686

AerCap Holdings N.V. does not expect to pay any of the offering expenses.

Item 6. Indemnification of Directors and Officers.

We have a directors and officers liability insurance policy which insures directors and officers against the cost of defense, settlement or payment of claims and judgments under some circumstances. We have also entered into indemnity agreements with each of our board members in which we agree to hold each of them harmless, to the extent permitted by law, from damage resulting from a failure to perform or a breach of duties by our board members, and to indemnify each of them for serving in any capacity for the benefit of the company, except in the case of willful misconduct or gross negligence in certain circumstances.

Although Netherlands law does not contain any provisions with respect to the indemnification of officers and directors, the concept of indemnification of directors of a company for liabilities arising from their actions as members of the executive or supervisory boards is, in principle, accepted in The Netherlands. AerCap's Articles of Association provide for indemnification of directors and officers by the company to the fullest extent permitted by Netherlands law against liabilities, expenses and amounts paid in settlement relating to claims, actions, suits or proceedings to which a director becomes a party as a result of his or her position.

The indemnification provided above is not exclusive of any rights to which any of our directors or officers may be entitled. The general effect of the forgoing provisions may be to reduce the circumstances in which a director or officer may be required to bear the economic burdens of the forgoing liabilities and expenses.

The underwriting agreement for this offering filed as Exhibit 1.1 to this registration statement provides that the underwriters are obligated, under certain circumstances, to indemnify our officers and directors and their respective controlling persons against certain liabilities, including liabilities under the Securities Act of 1933.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers or persons controlling the registrant pursuant to the foregoing provisions, the

registrant has been informed that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is therefore unenforceable.

Item 7. Recent Sales of Unregistered Securities.

None.

Item 8. Exhibits and Financial Statement Schedules.

(a) *Exhibits*.

Exhibit Number	Description of Exhibit
1.1	Form of Underwriting Agreement
3.1	Articles of Association*
4.1	Specimen Share Certificate*
5.1	Opinion of NautaDutilh NV regarding legality of the ordinary shares
10.1	Aircraft Purchase Agreement, dated December 30, 2005, between Airbus S.A.S. and AerVenture Limited†*
10.2	Amended and Restated Credit Agreement, dated May 8, 2007, among AerFunding 1 Limited, AerCap Ireland Limited, the other Service Providers named therein, UBS Real Estate Securities Inc. and other financial institutions named as Class A Lenders, the other financial institutions as Class B Lenders, and Class C Lenders, UBS Securities LLC, the other Funding Agents named therein and Deutsche Bank Trust Company Americas
10.3	Security Trust Agreement, dated April 26, 2006, among Aerfunding 1 Limited, the additional grantors referred to therein as grantors, UBS Securities LLC and Deutsche Bank Trust Company Americas*
10.4	Guarantee and Collateral Agreement, dated April 26, 2006, among AeroTurbine, Inc., The Subsidiary Guarantors of AeroTurbine, Inc., the borrower's party thereto and Calyon New York Branch*
10.5	Aircraft Asset Security Agreement, dated April 26, 2006, among AeroTurbine, Inc. The Subsidiary Guarantors of AeroTurbine, Inc., the borrower's party thereto, the trusts party thereto, as trusts and Calyon New York Branch*
10.6	Amended and Restated Senior Credit Agreement, dated as of December 13, 2006, among AeroTurbine, Inc., as Borrower, the Several Lenders from time to time as Parties thereto, Calyon New York Branch, as Administrative Agent, HSH Nordbank AG, as Syndication Agent and Wachovia Bank N.A. and National City Bank, as Co-Documentation Agents**
10.7	Pledge Agreement, dated April 26, 2006, between AerCap, Inc., and Calyon New York Branch*
10.8	Joint Venture Agreement, dated December 30, 2005, among AerCap Ireland Limited, International Cargo Airlines Company KSC and AerVenture Limited*
10.9	Stock Purchase Agreement, dated March 16, 2006, among AerCap, Inc. and Nicolas Finazzo, Rose Ann Finazzo and Robert B. Nichols†

Exhibit Number	Description of Exhibit
10.10	Facility Agreement, dated April 23, 2003, among the Banks and Financial Institutions named therein as ECA Lenders, the Banks and Financial Institutions named therein as Mismatch Lenders, Credit Lyonnais, Kreditanstalt Für Wiederaufbau, Sunrise Leasing Limited, Sundance Leasing Limited, Sunray Leasing Limited, Sunshine Leasing Limited, Sunglow Leasing Limited, Sunflower Aircraft Leasing Limited, Debis Aircraft Leasing XXX B.V. and Debis AirFinance B.V.*
10.11	Senior Facility Agreement, dated October 12, 2006, between AerCap Dutch Aircraft Leasing I B.V., Calyon and the financial institutions named therein†
10.12	Sale and Purchase Agreement regarding the acquisition of all shares in and certain loans and facilities granted to debis AirFinance B.V. by and between DaimlerChryslter Services AG, DaimlerChrysler Aerospace AG, DaimlerChrysler AG, Bayerische Hypo- und Vereinsbank AG, HVB Banque Luxembourg SA, Bayerische Landesbank, BLB Beteiligungsgesellschaft Beta mbH, Dresdner Bank AG, DZ Bank AG Deutsche Zentral-Genossenschaftsbank, DZ Beteiligungsgesellschaft mbH Nr. 6, KfW and FERN S.a r.l. as amended by the Amendment Agreement dated June 29, 2005 by and between the DaimlerChrysler Services AG, DaimlerChrysler Aerospace AG, DaimlerChrysler AG, Bayerische Hypo-und Vereinsbank AG, HVB Banque Luxembourg SA, Bayerische Landesbank, BLB Beteiligungsgesellschaft Beta mbH, Dresdner Bank AG, DZ Bank AG Deutsche Zentral-Genossenschaftsbank, DZ Beteiligungsgesellschaft mbH Nr. 6, KfW, FERN S.a r.l., FERN GP S.a r.l. and AerCap Holdings C.V.*
10.13	AerCap Holdings N.V. 2006 Equity Incentive Plan (including form of Stock Option Agreement*
10.14	Facility Agreement, dated November 3, 2006, between AerVenture Limited, as Borrower, and Calyon s.A., as Lender, Security Trustee and Agent*
10.15	Aircraft Purchase Agreement, dated December 11, 2006, between Airbus S.A.S. and AerCap Ireland Limited†**
10.16	Amended and Restated Trust Indenture, dated as of May 8, 2007, among Aircraft Lease Securitisation Limited, Deutsche Bank Trust Company America, as trustee, cash manager and operating bank and Calyon, as initial primary-liquidity facility provider, and MBIA Insurance Corporation, as the policy provider.
10.17	Amendment No. 1 dated May 11, 2007 to Aircraft Purchase Agreement, dated December 11, 2006, between Airbus S.A.S and AerCap Ireland Limited†
21.1	List of Subsidiaries of AerCap Holdings N.V.
23.1	Consent of PricewaterhouseCoopers Accountants N.V.
23.2	Consent of PricewaterhouseCoopers Accountants N.V.
23.3	Consent of KPMG LLP
23.4	Consent of NautaDutilh NV (included in Exhibit 5.1)
23.5	Consent of Simat, Helliesen & Eichner, Inc.
24.1	Power of Attorney (included as part of the signature page)

* Previously filed with Registration Statement on Form F-1, File No. 333-138381

** Previously filed with Form 20-F for the year ended December 31, 2006.

† Portions of the exhibit are or will be omitted pursuant to a request for confidential treatment.

Item 9. Undertakings.

(1) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted against the registrant by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

(2) The undersigned registrant hereby undertakes that:

(a) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this Registration Statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this Registration Statement as of the time it was declared effective.

(b) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new Registration Statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) The undersigned hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, AerCap Holdings N.V. certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form F-1 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Amsterdam, The Netherlands on July 10, 2007.

POWER OF ATTORNEY

We, the undersigned officers and directors of AerCap Holdings N.V., hereby severally constitute and appoint James N. Chapman, Klaus W. Heinemann and Robert G. Warden and each of them, our true and lawful attorneys-in-fact, with full power of substitution, for them, together or individually, in any and all capacities, to sign for us and in our names the Registration Statement on Form F-1 filed herewith and any and all pre-effective and post-effective amendments to said Registration Statement (including, without limitation, any additional registration statement filed pursuant to Rule 462 under the Securities Act of 1933) with respect hereto and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that said attorneys-in-fact, or his substitute or substitutes, may do or cause to be done by virtue hereof

AERCAP HOLDINGS N.V.

By: /s/ KLAUS HEINEMANN

Name: Klaus Heinemann
Title: Chief Executive Officer
(Principal Executive Officer)

Pursuant to the requirement of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ PIETER KORTEWEG	Chairman of the Board of Directors	July 10, 2007
Pieter Korteweg		
/s/ KLAUS HEINEMANN	Chief Executive Officer	July 10, 2007
Klaus Heinemann		
/s/ RONALD J. BOLGER	Non-Executive Director	July 10, 2007
Ronald J. Bolger		
/s/ JAMES N. CHAPMAN	Non-Executive Director	July 10, 2007
James N. Chapman		
/s/ W. BRETT INGERSOLL	Non-Executive Director	July 10, 2007
W. Brett Ingersoll		

/s/ MARIUS J.L. JONKHART	Non-Executive Director	July 10, 2007
Marius J.L. Jonkhart		
/s/ KEITH A. HELMING	Chief Financial Officer	July 10, 2007
Keith A. Helming		
/s/ COLE T. REESE	Chief Accounting Officer	July 10, 2007
Cole T. Reese		
/s/ GERALD P. STRONG	Non-Executive Director	July 10, 2007
Gerald P. Strong		
/s/ DAVID J. TEITELBAUM	Non-Executive Director	July 10, 2007
David J. Teitelbaum		
/s/ ROBERT G. WARDEN	Non-Executive Director	July 10, 2007
Robert G. Warden		
/s/ DONALD PUGLISI	Authorized Representative in the United States	July 10, 2007
Donald Puglisi		

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24.1	Power of Attorney (included as part of the signature page)

* Previously filed with Registration Statement on Form F-1, File No. 333-138381

** Previously filed with Form 20-F for the year ended December 31, 2006.

† Portions of the exhibit are or will be omitted pursuant to a request for confidential treatment.

QuickLinks

Exhibit 1.1

[20,000,000] Shares

AERCAP HOLDINGS N.V.

ORDINARY SHARES, NOMINAL VALUE €0.01 PER SHARE

UNDERWRITING AGREEMENT

July [•], 2007

July [•], 2007

Morgan Stanley & Co. Incorporated
1585 Broadway
New York, New York 10036

Goldman, Sachs & Co.
85 Broad Street
New York, New York 10004

Lehman Brothers Inc.
745 Seventh Avenue
New York, New York 10019

Merrill Lynch, Pierce, Fenner & Smith Incorporated
4 World Financial Center
New York, New York 10080

c/o Morgan Stanley & Co. Incorporated
1585 Broadway
New York, New York 10036

Ladies and Gentlemen:

Certain shareholders named in Schedule I hereto (the "**Selling Shareholders**") of AerCap Holdings N.V., a public company with limited liability *(naamloze vennootschap)* formed in The Netherlands (the "**Company**") severally propose to sell to the several Underwriters named in Schedule II hereto (the "**Underwriters**"), an aggregate of [•] ordinary shares, nominal value €0.01 per share, of the Company (the "**Firm Shares**"), each Selling Shareholder selling the amount set forth opposite such Selling Shareholder's name in Schedule I hereto.

The Selling Shareholders also propose to sell to the several Underwriters not more than an additional [3,000,000] ordinary shares, nominal value €0.01 per share (the "**Additional Shares**"), if and to the extent that you, as the representatives (the "**Representatives**") on behalf of the Underwriters, shall have determined to exercise the right to purchase the Additional Shares granted to the Underwriters in Section 3 hereof. The Firm Shares and the Additional Shares are hereinafter collectively referred to as the "**Shares**." The outstanding ordinary shares, nominal value €0.01 per share, of the Company, which include the Shares, are hereinafter referred to as the "**Ordinary Shares**."

The Company has filed with the Securities and Exchange Commission (the "**Commission**") a registration statement, including a prospectus, relating to the Shares. The registration statement as amended at the time it becomes effective, including the information (if any) deemed to be part of the registration statement at the time of effectiveness pursuant to Rule 430A under the Securities Act of 1933, as amended (the "**Securities Act**"), is hereinafter referred to as the "**Registration Statement**;" the prospectus in the form first used to confirm sales of Shares (or in the form first made available to the Underwriters by the Company to meet requests of purchasers pursuant to Rule 173 under the Securities Act) is hereinafter referred to as the "**Prospectus**." If the Company has filed an abbreviated registration statement to register additional Ordinary Shares pursuant to Rule 462(b) under the Securities Act (the "**Rule 462 Registration Statement**"), then any reference herein to the term "**Registration Statement**" shall be deemed to include such Rule 462 Registration Statement.

For purposes of this Agreement, "**free writing prospectus**" has the meaning set forth in Rule 405 under the Securities Act, "**Time of Sale Prospectus**" means the preliminary prospectus together with the free writing prospectuses, if any, and other information each as identified in Schedule III hereto, and "**broadly available road show**" means a "bona fide electronic road show" as defined in Rule 433(h)(5) under the Securities Act that has been made available without restriction to any person.

References in this Agreement to the Company's, counsel's or any other person's knowledge shall mean to such person's knowledge after due inquiry.

1. *Representations and Warranties of the Company*. The Company represents and warrants to and agrees with each of the Underwriters that:

(a) The Registration Statement has become effective; no stop order suspending the effectiveness of the Registration Statement is in effect, and no proceedings for such purpose are pending before or threatened by the Commission.

(b) (i) The Registration Statement, when it became effective, did not contain and, as amended or supplemented, if applicable, will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, (ii) the Registration Statement and the Prospectus comply and, as amended or supplemented, if applicable, will comply in all material respects with the Securities Act and the applicable rules and regulations of the Commission thereunder, (iii) the Time of Sale Prospectus does not, and at the time of each sale of the Shares in connection with the offering when the Prospectus is not yet available to prospective purchasers, the Time of Sale Prospectus, as then amended or supplemented by the Company, if applicable, will not, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made,

not misleading, (iv) each broadly available road show, if any, when considered together with the Time of Sale Prospectus, does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading and (v) the Prospectus does not contain and, as amended or supplemented, if applicable, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except that the representations and warranties set forth in this paragraph do not apply to statements or omissions in the Registration Statement, the Time of Sale Prospectus, any broadly available roadshow or the Prospectus based upon information relating to any Underwriter furnished to the Company in writing by such Underwriter through you expressly for use therein.

(c) The Company is not an "ineligible issuer" in connection with the offering pursuant to Rules 164, 405 and 433 under the Securities Act. Any free writing prospectus that the Company is required to file pursuant to Rule 433(d) under the Securities Act has been, or will be, filed with the Commission in accordance with the requirements of the Securities Act and the applicable rules and regulations of the Commission thereunder. Each free writing prospectus that the Company has filed, or is required to file, pursuant to Rule 433(d) under the Securities Act or that was prepared by or on behalf of or used or referred to by the Company complies or will comply in all material respects with the requirements of the Securities Act and the applicable rules and regulations of the Commission thereunder. Except for the free writing prospectuses, if any, identified in Schedule III hereto, and broadly available road shows, if any, each furnished to you before first use, the Company has not prepared, used or referred to, and will not, without your prior consent, prepare, use or refer to, any free writing prospectus.

(d) The Company has been duly incorporated, is validly existing as a public company with limited liability under the laws of the jurisdiction of its incorporation, has the corporate power and authority to own its property and to conduct its business as described in the Time of Sale Prospectus and is duly qualified to transact business in each jurisdiction in which the conduct of its business or its ownership or leasing of property requires such qualification, except to the extent that the failure to be so qualified or be in good standing would not have a material adverse effect on the Company and its subsidiaries, taken as a whole (a "**Material Adverse Effect**").

(e) Each Significant Subsidiary (as defined below) of the Company has been duly incorporated, is validly existing as a limited liability company or a corporation, as the case may be, in good standing, where such concept exists, under the laws of the jurisdiction of its incorporation, has the corporate power and authority to own its property and to conduct its business as described in the Time of Sale Prospectus and is duly qualified to transact business and is in good standing in each jurisdiction in which the conduct of its business or its ownership

or leasing of property requires such qualification, except to the extent that the failure to be so qualified or be in good standing would not have a Material Adverse Effect; all of the issued shares of capital stock of each Significant Subsidiary of the Company have been duly and validly authorized and issued, are fully paid and non-assessable and are owned directly or indirectly by the Company, free and clear of all liens, encumbrances, equities or claims, except as described in the Time of Sale Prospectus or in Exhibit G hereto. As used herein, each of AerVenture and Bella Aircraft Leasing Limited shall be considered a "Significant Subsidiary" and any other entity consolidated in the Company's financial statements shall be considered a "subsidiary" of the Company. The Significant Subsidiaries shall mean the subsidiaries of the Company listed on Schedule IV hereto.

(f) Each of Dragon (International) Aviation Leasing Company Limited and AerDragon Aviation Partners Limited (each a

"**Company Joint Venture**"), has been duly organized, is validly existing as a limited liability company under the laws of the jurisdiction of its organization, has the corporate power and authority to own its property and to conduct its business as described in the Time of Sale Prospectus and is duly qualified to transact business and is in good standing in each jurisdiction in which the conduct of its business or its ownership or leasing of property requires such qualification, except to the extent that the failure to be so qualified or be in good standing would not have a Material Adverse Effect; the issued shares of capital stock of each Company Joint Venture that are owned by the Company or its subsidiaries have been duly and validly authorized and issued, are fully paid and non-assessable and are owned directly by the Company or its subsidiaries, free and clear of all liens, encumbrances, equities or claims, except as described in the Time of Sale Prospectus.

(g) This Agreement has been duly authorized, executed and delivered by the Company.

(h) The authorized capital stock of the Company conforms as to legal matters to the description thereof contained in each of the Time of Sale Prospectus and the Prospectus.

(i) The Ordinary Shares (including the Shares to be sold by the Selling Shareholders) have been duly authorized and are validly issued, fully paid and non-assessable.

(j) The execution and delivery by the Company of, and the performance by the Company of its obligations under, this Agreement will not contravene any provision of applicable law or the articles of association of the Company or any agreement or other instrument binding upon the Company or any of its subsidiaries, that is material to the Company and its subsidiaries, taken as a whole, or any judgment, order or decree of any governmental body, agency or court having jurisdiction over the Company or any of its subsidiaries, and no consent, approval, authorization or order of, or qualification with, any

governmental body or agency is required for the performance by the Company of its obligations under this Agreement, except such as may be required by the securities or Blue Sky laws of the various U.S. states in connection with the offer and sale of the Shares.

(k) There has not occurred any material adverse change, or any development involving a prospective material adverse change, in the condition, financial or otherwise, or in the earnings, business or operations of the Company and its subsidiaries, taken as a whole, from that set forth in the Time of Sale Prospectus.

(l) There are no legal or governmental proceedings pending or threatened to which the Company or any of its subsidiaries is a party or to which any of the properties of the Company or any of its subsidiaries is subject (i) other than proceedings accurately described in all material respects in the Time of Sale Prospectus and proceedings that would not have a Material Adverse Effect, or have a material adverse effect on the power or ability of the Company to perform its obligations under this Agreement or to consummate the transactions contemplated by the Time of Sale Prospectus or (ii) that are required to be described in the Registration Statement or the Prospectus and are not so described; and there are no statutes, regulations, contracts or other documents that are required to be described in the Registration Statement or the Prospectus or to be filed as exhibits to the Registration Statement that are not described or filed as required.

(m) Each preliminary prospectus filed as part of the registration statement as originally filed or as part of any amendment thereto, or filed pursuant to Rule 424 under the Securities Act, complied when so filed in all material respects with the Securities Act and the applicable rules and regulations of the Commission thereunder.

(n) The Company is not, and after giving effect to the offering and sale of the Shares to be sold by the Company and the application of the proceeds thereof as described in the Time of Sale Prospectus will not be, required to register as an "investment company" as such term is defined in the Investment Company Act of 1940, as amended.

(o) The Company and its subsidiaries (i) are in compliance with any and all applicable foreign, federal, state and local laws and regulations relating to the protection of human health and safety, the environment or hazardous or toxic substances or wastes, pollutants or contaminants ("**Environmental Laws**"), (ii) have received all permits, licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses and (iii) are in compliance with all terms and conditions of any such permit, license or approval, except where such noncompliance with Environmental Laws, failure to receive required permits, licenses or other approvals or failure to comply with the

terms and conditions of such permits, licenses or approvals would not, singly or in the aggregate, have a Material Adverse Effect.

(p) Except as disclosed in the Time of Sale Prospectus, there are no costs or liabilities associated with Environmental Laws (including, without limitation, any capital or operating expenditures by the Company or any of its subsidiaries, required for clean-up, closure of properties or compliance with Environmental Laws or any permit, license or approval, any related constraints on operating activities and any potential liabilities to third parties) for the account of the Company or its subsidiaries, which would, singly or in the aggregate, have a Material Adverse Effect.

(q) Except as disclosed in the Time of Sale Prospectus, there are no contracts, agreements or understandings between the Company and any person granting such person the right to require the Company to file a registration statement under the Securities Act

with respect to any securities of the Company or to require the Company to include such securities with the Shares registered pursuant to the Registration Statement.

(r) The Company is not a party to any contractual arrangement currently in effect relating to the offer, sale, distribution or delivery of the Shares or any other securities of the Company other than this Agreement and the arrangements disclosed in the Registration Statement, the Time of Sale Prospectus and the Prospectus.

(s) Subsequent to the respective dates as of which information is given in each of the Registration Statement, the Time of Sale Prospectus and the Prospectus, (i) the Company, its subsidiaries and, to the Company's knowledge, Company Joint Ventures, have not incurred any liability or obligation, direct or contingent, nor entered into any transaction, in each case that is material to the Company and its subsidiaries, taken as a whole; (ii) the Company has not purchased any of its outstanding capital stock, nor declared, paid or otherwise made any dividend or distribution of any kind on its capital stock; and (iii) there has not been any change in the capital stock of the Company or its subsidiaries or any material change in the consolidated short-term debt or long-term debt of the Company or, to the Company's knowledge, Company Joint Ventures, in each case except as described in each of the Registration Statement, the Time of Sale Prospectus and the Prospectus.

(t) The Company and its subsidiaries have good and marketable title to all real property and good and marketable title to all personal property owned by them, which property is material to the business of the Company and its subsidiaries, taken as a whole, in each case free and clear of all liens, encumbrances and defects except such liens, encumbrances and defects as are described in the Time of Sale Prospectus or such as do not materially affect the value of such property and do not interfere with the use made and proposed to be made of such property by the Company and its subsidiaries; and any real property

and buildings which are material to the Company and its subsidiaries, taken as a whole, and are held under lease by the Company and its subsidiaries are held by them under valid, subsisting and enforceable leases with such exceptions as are not material and do not interfere with the use made and proposed to be made of such property and buildings by the Company and its subsidiaries, in each case except as described in the Time of Sale Prospectus.

(u) The Company and its subsidiaries own, lease or manage directly, or indirectly, the aircraft described in the Time of Sale Prospectus under "Business—Aircraft Portfolio and Existing Lessees," "Business—Joint Ventures" and "Business—Aircraft Services," in each case, as of the dates indicated therein (collectively, the "**Company Aircraft Portfolio**"); except as described in the Time of Sale Prospectus, (x) the Company and its subsidiaries have, directly or indirectly, good and marketable title to, economic rights equivalent to holding good and marketable title or hold valid and enforceable leases in respect of, the Company's Owned Aircraft (as defined below) and (y) to the Company's knowledge, the Company's management contracts with the entities which own (or have the right to the economic benefits of ownership) the Managed Aircraft are in full force and effect and the Company has no notice of any claim of default or other material claim which, individually or in the aggregate, could materially adversely affect the Company's consolidated revenues derived from such management contracts. As used herein, Owned Aircraft and Managed Aircraft have such meanings as are ascribed to such terms in the Time of Sale Prospectus under "Prospectus Summary—Explanatory Note Regarding Our Aircraft Portfolio."

(v) All of the lease agreements, lease addenda, side letters, assignments of warranties, option agreements or similar agreements material to the business of the Company and its subsidiaries, taken as a whole (collectively, the "**Lease Documents**"), are in full force and effect; and to the Company's knowledge, no event which with the giving of notice or passage of time or both would become an event of default (as so defined) under any Lease Document has occurred.

(w) All of the agreements which provide for the formation, governance, shareholding or similar rights relating to Company Joint Ventures AerVenture and Bella Aircraft Leasing Limited (collectively, the "**Joint Venture Agreements**") are in full force and effect, and, except as described in the Time of Sale Prospectus, neither the Company nor any of its subsidiaries has notice of any claim of default or other material claim adverse to the Company or any of its subsidiaries asserted under any Joint Venture Agreement, or affecting or questioning any material rights of the Company or any of its subsidiaries with respect to any Joint Venture Agreement.

(x) The Company, its subsidiaries and the Company Joint Ventures have entered into aircraft purchase agreements (the "**Aircraft Purchase Documents"**) and letters of intent for the purchase of aircraft as described in the

Time of Sale Prospectus. Except as described in the Time of Sale Prospectus (i) the Aircraft Purchase Documents are in full force and effect and no event of default (as defined in the applicable Aircraft Purchase Document) has occurred and is continuing under any Aircraft Purchase Document, (ii) the purchase and sale agreements and letters of intent described under "Business—Aircraft Subject to Purchase and Sale Agreements and Letters of Intent" in the Time of Sale Prospectus have not been modified or terminated such that any modification or termination, individually or in the aggregate, could have a Material Adverse Effect.

(y) Except as disclosed in the Time of Sale Prospectus with respect to the right to use the AerCap name in the United States, the Company and its subsidiaries own or possess, or can acquire on reasonable terms, all patents, patent rights, licenses, inventions, copyrights, know-how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures), trademarks, service marks and trade names, which are material to the Company and its subsidiaries, taken as a whole, and are currently employed by the Company or its subsidiaries in connection with the business now operated by them, and neither the Company nor any of its subsidiaries has received any notice of infringement of or conflict with asserted rights of others

with respect to any of the foregoing which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would have a Material Adverse Effect.

(z) No material labor dispute with the employees of the Company or any of its Significant Subsidiaries exists, except as described in the Time of Sale Prospectus, or, to the Company's knowledge, is imminent; and neither the Company nor any or its subsidiaries is aware of any existing, threatened or imminent labor disturbance by the employees of any of their principal suppliers, manufacturers or contractors that could have a Material Adverse Effect.

(aa) The Company and each of its Significant Subsidiaries, and their respective owned and leased properties, are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses in which they are engaged.

(bb) Neither the Company nor any of its subsidiaries has sustained since the date of the latest audited financial statements included in the Time of Sale Prospectus any material loss or interference with its business by fire, explosion, flood or other calamity, whether or not covered by insurance, or from any court or governmental action, order or decree, otherwise than as set forth in such Time of Sale Prospectus, except for any such loss or interference that would not, singly or in the aggregate, have a Material Adverse Effect.

(cc) The Company and its subsidiaries and, to the Company's knowledge, Company Joint Ventures, possess all certificates, authorizations and permits issued by the appropriate U.S. federal or state or Dutch, Irish, Swedish or

other non-U.S. regulatory authorities necessary to conduct their respective businesses, and neither the Company nor any of its subsidiaries or, to the Company's knowledge, any Company Joint Venture, has received any notice of proceedings relating to the revocation or modification of any such certificate, authorization or permit which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would have a Material Adverse Effect, except as described in the Time of Sale Prospectus.

(dd) The Company, its subsidiaries and, to the Company's knowledge, Company Joint Ventures, are in compliance with all applicable laws, regulations or other requirements of the United States Federal Aviation Administration, the European Aviation Safety Agency and similar aviation regulatory bodies (collectively, "**Aviation Laws**"), and neither the Company nor any of its subsidiaries or, to the Company's knowledge, any Company Joint Venture, has received any notice of a failure to comply with applicable Aviation Law, except for any failures to comply that would not, singly or in the aggregate, have a Material Adverse Effect.

(ee) The audited consolidated financial statements of the Company included in the Registration Statement and the Time of Sale Prospectus (the "**Consolidated Financial Statements**") were prepared in accordance with accounting principles generally accepted in the United States ("**US GAAP**") consistently applied and present fairly in all material respects the financial position of the Company and its consolidated subsidiaries, as at the relevant dates, and the results of operations and changes in cash flows of the Company and its consolidated subsidiaries for the periods in respect of which they have been prepared, and non-GAAP financial information included in the Registration Statement, if any, complies with the requirements of Regulation G and Item 10 of Regulation S-K under the Act. The unaudited condensed consolidated interim financial statements of the Company and its consolidated subsidiaries as at March 31, 2007 and for the three-month periods ended March 31, 2007 and 2006 included in the Registration Statement and the Time of Sale Prospectus (i) have been compiled on a basis consistent with that of the Consolidated Financial Statements except as disclosed in the Time of Sale Prospectus and (ii) contain all adjustments, consisting only of normal recurring adjustments, necessary for the fair presentation of the financial condition and results of operations of the Company and its consolidated subsidiaries for the periods shown. The pro forma combined financial statements of the Company and AeroTurbine, Inc. and the related notes thereto set forth in the Registration Statement and the Time of Sale Prospectus have been prepared in accordance with the applicable requirements of Rule 11-02 of Regulation S-X promulgated by the Commission and have been properly compiled on the pro forma bases described therein and the assumptions used in the preparation thereof are reasonable and the adjustments used therein are appropriate to give effect to the transactions or circumstances referred to therein. No other financial statements or supporting schedules, other than the Financial Data Schedule required by Item 601(c) of Regulation S-K under the Securities

Act, are required to be included in the Registration Statement or Time of Sale Prospectus.

(ff) The audited combined financial statements of AeroTurbine, Inc. included in the Time of Sale Prospectus were prepared in accordance with US GAAP consistently applied and present fairly in all material respects the financial position of AeroTurbine, Inc. and its consolidated subsidiaries, as at the relevant dates and the results of operations and changes in cash flows of AeroTurbine, Inc. and its consolidated subsidiaries for the periods in respect of which they have been prepared. No other financial statements or supporting schedules relating to AeroTurbine, Inc., other than the Financial Data Schedule required by Item 601(c) of Regulation S-K under the Securities Act, are required to be included in the Registration Statement or Time of Sale Prospectus.

(gg) PricewaterhouseCoopers Accountants N.V., who has audited the Company's Consolidated Financial Statements and who will deliver the letters referred to in Section 6(h), is an independent registered public accounting firm with respect to the Company and its subsidiaries within the meaning of the Securities Act and the applicable published rules and regulations thereunder.

(hh) KPMG LLP, who has audited AeroTurbine, Inc.'s financial statements and who will deliver the letters referred to in Section 6(h), is an independent registered public accounting firm with respect to AeroTurbine, Inc. and its subsidiaries within the meaning

of the Securities Act and the applicable published rules and regulations thereunder.

(ii) The Company, each of its subsidiaries and the other entities that are consolidated in the Company's Consolidated Financial Statements maintain a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. Since the end of the Company's most recent audited fiscal year, there has been (i) no material weakness in the Company's internal control over financial reporting (whether or not remediated) and (ii) no change in the Company's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

(jj) The Company and each of its subsidiaries have duly filed all tax declarations and relevant submissions and paid all taxes and duties due and payable, except for any failure to file a tax declaration or pay taxes or duties due that would not, singly or in the aggregate, have a Material Adverse Effect. Except

as disclosed in the Time of Sale Prospectus, to the Company's knowledge, no objections have been raised by competent tax authorities on tax declarations and submissions made by the Company and its subsidiaries in prior years that could, singly or in the aggregate, have a Material Adverse Effect.

(kk) Except as described in the Time of Sale Prospectus, the Company has not sold, issued or distributed any Ordinary Shares during the six-month period preceding the date hereof, including any sales pursuant to Rule 144A under, or Regulation D or S of, the Securities Act.

(ll) To the Company's knowledge, neither the Company nor any of its subsidiaries or any Company Joint Venture, Company Legal Entity (as defined below) or Company Managed Entity (as defined below), nor any director, officer, agent or employee of any of the foregoing, has (A) used any corporate funds for any unlawful contributions, gift, entertainment or other unlawful expense relating to political activity, (B) made any direct or indirect unlawful payment to any foreign or domestic government official from corporate funds, (C) violated or is in violation of any provision of the Foreign Corrupt Practices Act of 1977 or (D) made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment. The term "**Company Legal Entity**" means any corporate entity or other legal structure which owns, holds or manages aircraft, aircraft engines or aircraft or engine parts that were sold or transferred to such corporate entity or legal structure by the Company or any of its subsidiaries and from which the Company or its subsidiaries receive, on an on-going basis, at least 20% of the economic benefit derived from the operation or sale of such sold or transferred assets. The term "**Company Managed Entity**" means any corporate entity or other legal structure which owns or leases aircraft and for which the Company or any of its subsidiaries provides management or administrative services and excludes Company Joint Ventures.

(mm) Under the current laws and regulations of The Netherlands all dividends and other distributions declared and payable on Ordinary Shares in cash may be freely transferred out of The Netherlands and may be paid in, or freely converted into, United States dollars, in each case without there being required any consent, approval, authorization or order of, or qualification with, any court or governmental agency or body in The Netherlands; and except as disclosed in the Time of Sale Prospectus, all such dividends and other distributions will not be subject to withholding, value added or other taxes under the laws and regulations of The Netherlands.

(nn) No stamp or other issuance or transfer taxes or duties are payable by or on behalf of the Underwriters to The Netherlands or any political subdivision or taxing authority thereof in connection with the sale or delivery of the Shares to the Underwriters.

(oo) The Company is a "foreign private issuer," as defined in Rule 405 of the Securities Act.

(pp) To the Company's knowledge, the factual information contained in the report of Simat Helliesen & Eichner ("**SH&E**") contained in the Registration Statement and the Time of Sale Prospectus (the "**Independent Expert's Report**") is true and accurate in all material aspects. SH&E is not an affiliate of the Company and, to the Company's knowledge, does not have a substantial interest, direct or indirect, in the Company. To the Company's knowledge, none of the officers or directors of SH&E is connected with the Company or any of its affiliates as an officer, employee, promoter, underwriter, trustee, partner, director or person performing a similar function.

2. *Representations and Warranties of the Selling Shareholders.* Each Selling Shareholder represents and warrants to and agrees with each of the Underwriters that:

(a) This Agreement has been duly authorized, executed and delivered by or on behalf of such Selling Shareholder.

(b) The execution and delivery by such Selling Shareholder of, and the performance by such Selling Shareholder of its obligations under, this Agreement and the Power of Attorney appointing certain individuals as such Selling Shareholder's attorneys-in-fact to the extent set forth therein, relating to the transactions contemplated hereby and by the Time of Sale Prospectus (the "**Power of Attorney**") will not contravene any provision of applicable law, or the formation documents of such Selling Shareholder, or any agreement or other instrument binding upon such Selling Shareholder or any judgment, order or decree of any governmental body, agency

or court having jurisdiction over such Selling Shareholder, and no consent, approval, authorization or order of, or qualification with, any governmental body or agency is required for the performance by such Selling Shareholder of its obligations under this Agreement or the Power of Attorney of such Selling Shareholder, except such as may be required by the securities or Blue Sky laws of the various U.S. states in connection with the offer and sale of the Shares.

(c) Such Selling Shareholder has, and on the Closing Date will have, valid title to, or a valid "security entitlement" within the meaning of Section 8-501 of the New York Uniform Commercial Code in respect of, the Shares to be sold by such Selling Shareholder free and clear of all security interests, claims, liens, equities or other encumbrances and the legal right and power, and all authorization and approval required by law, to enter into this Agreement and the Power of Attorney and to sell, transfer and deliver the Shares to be sold by such Selling Shareholder or a security entitlement in respect of such Shares.

(d) The Power of Attorney has been duly authorized, executed and delivered by such Selling Shareholder and is a valid and binding agreement of such Selling Shareholder.

(e) Upon payment for the Shares to be sold by such Selling Shareholder pursuant to this Agreement, delivery of such Shares, as directed by the Underwriters, to Cede & Co. ("**Cede**") or such other nominee as may be designated by the Depository Trust Company ("**DTC**"), registration of such Shares in the name of Cede or such other nominee and the crediting of such Shares on the books of DTC to securities accounts of the Underwriters (assuming that neither DTC nor any such Underwriter has notice of any adverse claim (within the meaning of Section 8-105 of the New York Uniform Commercial Code (the "**UCC**")) to such Shares), (A) DTC shall be a "protected purchaser" of such Shares within the meaning of Section 8-303 of the UCC, (B) under Section 8-501 of the UCC, the Underwriters will acquire a valid security entitlement in respect of such Shares, (C) no action based on any "adverse claim", within the meaning of Section 8-102 of the UCC and as interpreted under the laws of The Netherlands, to such Shares may be asserted against DTC or its nominee with respect to such security entitlement and (D) no action based on any "adverse claim", within the meaning of Section 8-102 of the UCC, to such Shares may be asserted against the Underwriters with respect to such security entitlement; for purposes of this representation, such Selling Shareholder may assume that when such payment, delivery and crediting occur, (x) such Shares will have been registered in the name of Cede or another nominee designated by DTC, in each case on the Company's share registry in accordance with its certificate of incorporation, bylaws and applicable law, (y) DTC will be registered as a "clearing corporation" within the meaning of Section 8-102 of the UCC and (z) appropriate entries to the accounts of the several Underwriters on the records of DTC will have been made pursuant to the UCC.

(f) Such Selling Shareholder has not entered into any contractual arrangements relating to the offer, sale, distribution or delivery of the Shares or any other securities of the Company other than this Agreement and the arrangements disclosed in the Registration Statement, the Time of Sale Prospectus or the Prospectus.

(g) (i) The Registration Statement, when it became effective, did not contain and, as amended or supplemented, if applicable, will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, (ii) the Time of Sale Prospectus does not, and at the time of each sale of the Shares in connection with the offering when the Prospectus is not yet available to prospective purchasers, the Time of Sale Prospectus, as then amended or supplemented by the Company, if applicable, will not, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, (iii) each broadly available road show, if any, when considered together with the Time of Sale Prospectus, does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading and (iv) the Prospectus does not contain and, as amended or

supplemented, if applicable, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, *provided* that the representations and warranties set forth in this paragraph 2(h) are limited to statements or omissions made in reliance upon information relating to such Selling Shareholder furnished to the Company in writing by such Selling Shareholder expressly for use in the Registration Statement, the Time of Sale Prospectus, the Prospectus, each broadly available roadshow or any amendments or supplements thereto.

3. *Agreements to Sell and Purchase.* Each Selling Shareholder, severally and not jointly, hereby agrees to sell to the several Underwriters, and each Underwriter, upon the basis of the representations and warranties herein contained, but subject to the conditions hereinafter stated, agrees, severally and not jointly, to purchase from such Selling Shareholder at $[•] a share (the "**Purchase Price**") the number of Firm Shares (subject to such adjustments to eliminate fractional shares as you may determine) that bears the same proportion to the number of Firm Shares to be sold by such Selling Shareholder as the number of Firm Shares set forth in Schedule II hereto opposite the name of such Underwriter bears to the total number of Firm Shares.

On the basis of the representations and warranties contained in this Agreement, and subject to its terms and conditions, the Selling Shareholders agree to sell to the Underwriters the Additional Shares, and the Underwriters shall have the right to purchase, severally and not jointly, up to [•] Additional Shares at the Purchase Price. You, as Representatives, may exercise this right on behalf of the Underwriters in whole or from time to time in part by giving written notice not later than 30 days after the date of this Agreement. Any exercise notice shall specify the number of Additional Shares to be purchased by the Underwriters and the date on which such Additional Shares are to be purchased. Each purchase date must be at least one business day after the written notice is given and may not be earlier than the closing date for the Firm Shares nor later than ten business days after the date of such notice. Additional Shares may

be purchased as provided in Section 5 hereof solely for the purpose of covering over-allotments made in connection with the offering of the Firm Shares. On each day, if any, that Additional Shares are to be purchased (an "**Option Closing Date**"), each Underwriter agrees, severally and not jointly, to purchase from each Selling Shareholder the number of Additional Shares (subject to such adjustments to eliminate fractional shares as you may determine) that bears the same proportion to the total number of Additional Shares to be purchased on such Option Closing Date as the number of Firm Shares set forth in Schedule II hereto opposite the name of such Underwriter bears to the total number of Firm Shares.

Each of the Company and each Selling Shareholder hereby agrees that, without the prior written consent of the Representatives on behalf of the Underwriters, it will not, during the period ending [90] days after the date of the Prospectus, (1) offer, pledge, sell, contract to sell, sell any option or contract to

purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any Ordinary Shares or any securities convertible into or exercisable or exchangeable for Ordinary Shares or (2) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Ordinary Shares, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of Ordinary Shares or such other securities, in cash or otherwise or (3) file any registration statement with the Commission relating to the offering of any Ordinary Shares or any securities convertible into or exercisable or exchangeable for Ordinary Shares.

The restrictions contained in the preceding paragraph shall not apply to (a) the Shares to be sold hereunder, (b) the issuance by the Company of Ordinary Shares of which the Representatives have been advised in writing upon the exercise of an option or warrant or the conversion of a security outstanding on the date hereof and which is described in the Time of Sale Prospectus, (c) transactions by a Selling Shareholder relating to Ordinary Shares or other securities acquired in open market transactions after the completion of the offering of the Shares, *provided* that no filing under Section 16(a) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), shall be required or shall be voluntarily made in connection with subsequent sales of Ordinary Shares or other securities acquired in such open market transactions, (d) transfers by a Selling Shareholder of Ordinary Shares or any security convertible into Ordinary Shares as a bona fide gift, or (e) distributions by a Selling Shareholder of Ordinary Shares or any security convertible into Ordinary Shares to limited partners or stockholders of the Selling Shareholder or to shareholders of stockholders of the Selling Shareholder; *provided* that in the case of any transfer or distribution pursuant to clause (d) or (e), (i) each donee or distributee shall enter into a written agreement accepting the restrictions set forth in the preceding paragraph and this paragraph as if it were a Selling Shareholder and (ii) no filing under Section 16(a) of the Exchange Act, reporting a reduction in beneficial ownership of Ordinary Shares, shall be required or shall be voluntarily made in respect of the transfer or distribution during the [90]-day restricted period. In addition, each Selling Shareholder, agrees that, without the prior written consent of the Representatives on behalf of the Underwriters, it will not, during the period ending [90] days after the date of the Prospectus, make any demand for, or exercise any right with respect to, the registration of any Ordinary Shares or any security convertible into or exercisable or exchangeable for Ordinary Shares. Each Selling Shareholder consents to the entry of stop transfer instructions with the Company's transfer agent and registrar against the transfer of any Ordinary Shares held by such Selling Shareholder except in compliance with the foregoing restrictions. Notwithstanding the foregoing, if (1) during the last 17 days of the [90]-day restricted period the Company issues an earnings release or material news or a material event relating to the Company occurs; or (2) prior to the expiration of the [90]-day restricted period, the Company announces that it will release earnings results during the 16-day period beginning on the last day of the [90]-day period, the restrictions imposed by this agreement shall continue to apply until the expiration of

the 18-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event. The Company shall promptly notify the Representatives of any earnings release, news or event that may give rise to an extension of the initial [90]-day restricted period.

4. *Terms of Public Offering*. The Selling Shareholders are advised by you that the Underwriters propose to make a public offering of their respective portions of the Shares as soon after the Registration Statement and this Agreement have become effective as in your judgment is advisable. The Selling Shareholders are further advised by you that the Shares are to be offered to the public initially at $[•] a share (the "**Public Offering Price**") and to certain dealers selected by you at a price that represents a concession not in excess of $[•] a share under the Public Offering Price.

5. *Payment and Delivery.* Payment for the Firm Shares to be sold by each Selling Shareholder shall be made to such Selling Shareholder in Federal or other funds immediately available in New York City against delivery of such Firm Shares for the respective accounts of the several Underwriters at 10:00 a.m., New York City time, on [•] 2007, or at such other time on the same or such other date, not later than [•], 2007, as shall be designated in writing by you. The time and date of such payment are hereinafter referred to as the "**Closing Date**."

Payment for any Additional Shares shall be made to the Selling Shareholders in Federal or other funds immediately available in New York City against delivery of such Additional Shares for the respective accounts of the several Underwriters at 10:00 a.m., New York City time, on the date specified in the corresponding notice described in Section 3 or at such other time on the same or on such other date, in any event not later than [•], 2007, as shall be designated in writing by you.

The Firm Shares and Additional Shares shall be registered in such names and in such denominations as you shall request in writing not later than one full business day prior to the Closing Date or the applicable Option Closing Date, as the case may be. The Firm

Shares and Additional Shares shall be delivered to you on the Closing Date or an Option Closing Date, as the case may be, for the respective accounts of the several Underwriters, with any transfer taxes payable in connection with the transfer of the Shares to the Underwriters duly paid, against payment of the Purchase Price therefor.

6. *Conditions to the Underwriters' Obligations*. The obligations of the Selling Shareholders to sell the Shares to the Underwriters and the several obligations of the Underwriters to purchase and pay for the Shares on the Closing Date are subject to the condition that the Registration Statement shall have become effective not later than 2:00 p.m. (New York City time) on the date hereof.

The several obligations of the Underwriters are subject to the following further conditions:

(a) Subsequent to the execution and delivery of this Agreement and prior to the Closing Date:

(i) there shall not have occurred any downgrading, nor shall any notice have been given of any intended or potential downgrading or of any review for a possible change that does not indicate the direction of the possible change, in the rating accorded any of the securities of the Company, any of its subsidiaries or any securitization vehicle established, or holding assets transferred or sold, by the Company or any of its subsidiaries by any "nationally recognized statistical rating organization," as such term is defined for purposes of Rule 436(g)(2) under the Securities Act; and

(ii) there shall not have occurred any change, or any development involving a prospective change, in the condition, financial or otherwise, or in the earnings, business or operations of the Company and its subsidiaries, taken as a whole, from that set forth in the Time of Sale Prospectus that, in your judgment, is material and adverse and that makes it, in your judgment, impracticable to market the Shares on the terms and in the manner contemplated in the Time of Sale Prospectus.

(b) The Underwriters shall have received on the Closing Date a certificate, dated the Closing Date and signed by an executive officer of the Company, to the effect set forth in Section 6(a)(i) above and to the effect that the representations and warranties of the Company contained in this Agreement are true and correct as of the Closing Date and that the Company has complied with all of the agreements and satisfied all of the conditions on its part to be performed or satisfied hereunder on or before the Closing Date.

The officer signing and delivering such certificate may rely upon the best of his or her knowledge as to proceedings threatened.

(c) The Underwriters shall have received on the Closing Date an opinion of NautaDutilh NV, Dutch counsel for the Company, dated the Closing Date, covering the matters set forth in Exhibit A hereto.

(d) The Underwriters shall have received on the Closing Date an opinion of Milbank, Tweed, Hadley & McCloy LLP, special U.S. counsel for the Company, dated the Closing Date, covering the matters set forth in Exhibit B hereto.

(e) The Underwriters shall have received on the Closing Date an opinion of Wouter M. den Dikken, Chief Legal Officer of the Company, dated the Closing Date, covering the matters set forth in Exhibit C hereto.

(f) The Underwriters shall have received on the Closing Date an opinion of Arendt & Medernach, counsel for the Selling Shareholders, dated the Closing Date, covering the matters set forth in Exhibit D hereto.

(g) The Underwriters shall have received on the Closing Date an opinion of Davis Polk & Wardwell, counsel for the Underwriters, dated the Closing Date, in a form acceptable to the Underwriters.

With respect to paragraph (x) in Exhibit B hereto and paragraph (x) in Exhibit C hereto above, Milbank, Tweed, Hadley & McCloy LLP and Mr. den Dikken may state that their opinions and beliefs are based upon their participation in the preparation of the Registration Statement, the Time of Sale Prospectus and the Prospectus and any amendments or supplements thereto and review and discussion of the contents thereof, but are without independent check or verification, except as specified. With respect to the opinions set forth in Exhibit D hereto, Arendt & Medernach may rely with respect to factual matters and to the extent such counsel deems appropriate, upon the representations of each Selling Shareholder contained herein and in the Power of Attorney of such Selling Shareholder and in other documents and instruments.

The opinions of NautaDutilh NV, Milbank, Tweed, Hadley & McCloy LLP, Mr. den Dikken and Arendt & Medernach described in Sections 6(c), (d), (e) and (f) above shall be rendered to the Underwriters at the request of the Company or one or more of the Selling Shareholders, as the case may be, and shall so state therein.

(h) The Underwriters shall have received, on each of the date hereof and the Closing Date, a letter dated the date hereof or the Closing Date, as the case may be, in form and substance satisfactory to the Underwriters, from each of PricewaterhouseCoopers Accountants N.V., independent public accountants for the Company, and KPMG LLP, independent public accountants for AeroTurbine, Inc., containing statements and information of the type ordinarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained in the Registration Statement, the Time of Sale Prospectus and the Prospectus; provided that the letters delivered on the Closing Date shall use a "cut-off date" not earlier than the date hereof.

(i) The "lock-up" agreements, between you and the officers and directors of the Company, each substantially in the form of Exhibit E hereto, and between you and each shareholder of the Company, each substantially in the form of Exhibit F hereto, relating to sales and certain other dispositions of Ordinary Shares or certain other securities, delivered to you on or before the date hereof, shall be in full force and effect on the Closing Date.

(j) The Shares to be delivered on the Closing Date or Additional Closing Date, as the case may be, shall have been approved for listing on the New York Stock Exchange, subject to official notice of issuance (if applicable).

The several obligations of the Underwriters to purchase Additional Shares hereunder are subject to the delivery to you on the applicable Option Closing Date of such documents as you may reasonably request with respect to the good standing of the Company, the due authorization and issuance of the Additional Shares to be sold on such Option Closing Date and other matters related to such Additional Shares.

7. *Covenants of the Company*. The Company covenants with each Underwriter as follows:

(a) To furnish to you, without charge, four signed copies of the Registration Statement (including exhibits thereto) and for delivery to each other Underwriter a conformed copy of the Registration Statement (without exhibits thereto) and to furnish to you in New York City, without charge, prior to 10:00 a.m. New York City time on the business day next succeeding the date of this Agreement and during the period mentioned in Sections 7(f) or 7(g) below, as many copies of the Time of Sale Prospectus, the Prospectus and any supplements and amendments thereto or to the Registration Statement as you may reasonably request.

(b) Before amending or supplementing the Registration Statement, the Time of Sale Prospectus or the Prospectus, to furnish to you a copy of each such proposed amendment or supplement and not to file any such proposed amendment or supplement to which you reasonably object, and to file with the Commission within the applicable period specified in Rule 424(b) under the Securities Act any prospectus required to be filed pursuant to such Rule.

(c) To furnish to you a copy of each proposed free writing prospectus to be prepared by or on behalf of, used by, or referred to by the Company and not to use or refer to any proposed free writing prospectus to which you reasonably object.

(d) Not to take any action that would result in an Underwriter or the Company being required to file with the Commission pursuant to Rule 433(d) under the Securities Act a free writing prospectus prepared by or on behalf of the Underwriter that the Underwriter otherwise would not have been required to file thereunder.

(e) To satisfy the conditions under Rule 433 under the Securities Act to avoid a requirement to file with the Commission any electronic road show.

(f) If the Time of Sale Prospectus is being used to solicit offers to buy the Shares at a time when the Prospectus is not yet available to prospective purchasers and any event shall occur or condition exist as a result of which it is

necessary to amend or supplement the Time of Sale Prospectus in order to make the statements therein, in the light of the circumstances when the Time of Sale Prospectus is delivered to a prospective purchaser, not misleading, or if any event shall occur or condition exist as a result of which the Time of Sale Prospectus conflicts with the information contained in the Registration Statement then on file, or if, in the opinion of counsel for the Underwriters, it is necessary to amend or supplement the Time of Sale Prospectus to comply with applicable law, forthwith to prepare, file with the Commission and furnish, at its own expense, to the Underwriters and to any dealer upon request, either amendments or supplements to the Time of Sale Prospectus so that the statements in the Time of Sale Prospectus as so amended or supplemented will not, in the light of the circumstances when the Time of Sale Prospectus is delivered to a prospective purchaser, be misleading or so that the Time of Sale Prospectus, as amended or supplemented, will no longer conflict with the Registration Statement, or so that the Time of Sale Prospectus, as amended or supplemented, will comply with applicable law.

(g) If, during such period after the first date of the public offering of the Shares as in the opinion of counsel for the Underwriters the Prospectus (or in lieu thereof the notice referred to in Rule 173(a) under the Securities Act) is required by law to be delivered in connection with sales by an Underwriter or dealer, any event shall occur or condition exist as a result of which it is necessary to amend or supplement the Prospectus in order to make the statements therein, in the light of the circumstances when the Prospectus (or in lieu thereof the notice referred to in Rule 173(a) under the Securities Act) is delivered to a purchaser, not misleading, or if, in the opinion of counsel for the Underwriters, it is necessary to amend or supplement the Prospectus to comply with applicable law, forthwith to prepare, file with the Commission and furnish, at its own expense, to the Underwriters and to the dealers (whose names and addresses you will furnish to the Company) to which Shares may have been sold by you on behalf of the Underwriters and to any other dealers upon request, either amendments or supplements to the Prospectus so that the statements in the Prospectus as so amended or supplemented will not, in the light of the circumstances when the Prospectus (or in lieu thereof the notice referred to in Rule 173(a) under the Securities Act) is delivered to a purchaser, be misleading or so that the Prospectus, as amended or supplemented, will comply with applicable law.

(h) To endeavor to qualify the Shares for offer and sale under the securities or Blue Sky laws of such jurisdictions as you shall reasonably request.

(i) To make generally available to the Company's security holders and to you as soon as practicable an earning statement covering a period of at least 12 months beginning with the first fiscal quarter of the Company occurring after the date of this Agreement which shall satisfy the provisions of Section 11(a) of the Securities Act and the rules and regulations of the Commission thereunder.

8. *Expenses*. Whether or not the transactions contemplated in this Agreement are consummated or this Agreement is terminated, each Selling Shareholder agrees, jointly and severally, to pay or cause to be paid all expenses incident to the performance of the obligations of the Company and the Selling Shareholders under this Agreement, including: (i) the fees, disbursements and expenses of the Company's counsel and counsel for the Selling Shareholders in connection with the registration and delivery of the Shares under the Securities Act and all other fees or expenses in connection with the preparation and filing of the Registration Statement, any preliminary prospectus, the Time of Sale Prospectus, the Prospectus, any free writing prospectus prepared by or on behalf of, used by, or referred to by the Company and amendments and supplements to any of the foregoing, including all printing costs associated therewith, and the mailing and delivering of copies thereof to the Underwriters and dealers, in the quantities hereinabove specified, (ii) all costs and expenses related to the transfer and delivery of the Shares to the Underwriters, including any transfer or other taxes payable thereon, (iii) the cost of printing or producing any Blue Sky memorandum in connection with the offer and sale of the Shares under state securities laws and all expenses in connection with the qualification of the Shares for offer and sale under state securities laws as provided in Section 7(h) hereof, including filing fees and the reasonable fees and disbursements of counsel for the Underwriters in connection with such qualification and in connection with the Blue Sky memorandum, (iv) all filing fees and the reasonable fees and disbursements of counsel to the Underwriters incurred in connection with the review and qualification of the offering of the Shares by the National Association of Securities Dealers, Inc., (v) all expenses relating to services provided by the Company's accountants in connection with the transactions contemplated by this Agreement (vi) all costs and expenses incident to listing the Shares on the New York Stock Exchange, (vii) the cost of printing certificates representing the Shares, (viii) the costs and charges of any transfer agent, registrar or depositary, (ix) the costs and expenses of the Company and the Selling Shareholders relating to investor presentations on any "road show" undertaken in connection with the marketing of the offering of the Shares, including, without limitation, expenses associated with the preparation or dissemination of any electronic roadshow, expenses associated with the production of road show slides and graphics, fees and expenses of any consultants engaged in connection with the road show presentations with the prior approval of the Selling Shareholders, travel and lodging expenses of the representatives and officers of the Company and any such consultants, and the cost of any aircraft chartered in connection with the road show, (x) the document production charges and expenses associated with printing this Agreement and (xi) all other costs and expenses incident to the performance of the obligations of the Company and the Selling Shareholders hereunder for which provision is not otherwise made in this Section. It is understood, however, that except as provided in this Section, Section 10 entitled "Indemnity and Contribution" and the last paragraph of Section 12 below, the Underwriters will pay all of their costs and expenses, including fees and disbursements of their

counsel, stock transfer taxes payable on resale of any of the Shares by them and any advertising expenses connected with any offers they may make.

The provisions of this Section shall not supersede or otherwise affect any agreement that the Selling Shareholders may otherwise have for the allocation of such expenses among themselves.

9. *Covenants of the Underwriters*. Each Underwriter severally covenants with the Company not to take any action that would result in the Company being required to file with the Commission under Rule 433(d) a free writing prospectus prepared by or on behalf of such Underwriter that otherwise would not be required to be filed by the Company thereunder, but for the action of the Underwriter.

10. *Indemnity and Contribution.* (a) The Company and each of the Selling Shareholders, jointly and severally, agree to indemnify and hold harmless each Underwriter, each person, if any, who controls any Underwriter within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act, and each affiliate of any Underwriter within the meaning of Rule 405 under the Securities Act from and against any and all losses, claims, damages and liabilities (including, without limitation, any legal or other expenses reasonably incurred in connection with defending or investigating any such action or claim) caused by any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or any amendment thereof, any preliminary prospectus, the Time of Sale Prospectus, any issuer free writing prospectus as defined in Rule 433(h) under the Securities Act, any Company information that the Company has filed, or is required to file, pursuant to Rule 433(d) of the Securities Act, or the Prospectus or any amendment or supplement thereto, or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as such losses, claims, damages or liabilities are caused by any such untrue statement or omission or alleged untrue statement or omission based upon information relating to any Underwriter furnished to the Company in writing by such Underwriter through you expressly for use therein; *provided* that the foregoing indemnity granted by the Selling Shareholders is limited to statements or omissions made in reliance upon information relating to such Selling Shareholder furnished to the Company in writing by such Selling Shareholder expressly for use in the Registration Statement, the Time of Sale Prospectus, any issuer free writing prospectus as defined in Rule 433(h), the Prospectus or any amendments or supplements thereto.

(b) Each Underwriter agrees, severally and not jointly, to indemnify and hold harmless the Company, the Selling Shareholders, the directors of the Company, the officers of the Company who sign the Registration Statement and each person, if any, who controls the Company or any Selling Shareholder within the meaning of either Section 15 of the Securities Act or Section 20 of the

Exchange Act from and against any and all losses, claims, damages and liabilities

(including, without limitation, any legal or other expenses reasonably incurred in connection with defending or investigating any such action or claim) caused by any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or any amendment thereof, any preliminary prospectus, the Time of Sale Prospectus, any issuer free writing prospectus as defined in Rule 433(h) under the Securities Act or the Prospectus (as amended or supplemented if the Company shall have furnished any amendments or supplements thereto), or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, but only with reference to information relating to such Underwriter furnished to the Company in writing by such Underwriter through you expressly for use in the Registration Statement, any preliminary prospectus, the Time of Sale Prospectus, any issuer free writing prospectus or the Prospectus or any amendment or supplement thereto.

(c) In case any proceeding (including any governmental investigation) shall be instituted involving any person in respect of which indemnity may be sought pursuant to Section 10(a) or 10(b), such person (the "**indemnified party**") shall promptly notify the person against whom such indemnity may be sought (the "**indemnifying party**") in writing and the indemnifying party, upon request of the indemnified party, shall retain counsel reasonably satisfactory to the indemnified party to represent the indemnified party and any others the indemnifying party may designate in such proceeding and shall pay the fees and disbursements of such counsel related to such proceeding. In any such proceeding, any indemnified party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such indemnified party unless (i) the indemnifying party and the indemnified party shall have mutually agreed to the retention of such counsel or (ii) the named parties to any such proceeding (including any impleaded parties) include both the indemnifying party and the indemnified party and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood that the indemnifying party shall not, in respect of the legal expenses of any indemnified party in connection with any proceeding or related proceedings in the same jurisdiction, be liable for (i) the fees and expenses of more than one separate firm (in addition to any local counsel) for all Underwriters and all persons, if any, who control any Underwriter within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act or who are affiliates of any Underwriter within the meaning of Rule 405 under the Securities Act, (ii) the fees and expenses of more than one separate firm (in addition to any local counsel) for the Company, its directors, its officers who sign the Registration Statement and each person, if any, who controls the Company within the meaning of either such Section and (iii) the fees and expenses of more than one separate firm (in addition to any local counsel) for all Selling Shareholders and all persons, if any, who control any Selling Shareholder within the meaning of either such Section, and that all such fees and expenses shall be reimbursed as they are incurred. In the case of any such separate firm for the Underwriters and such control persons and affiliates of any Underwriters, such firm shall be

designated in writing by the Representatives. In the case of any such separate firm for the Company, and such directors, officers and control persons of the Company, such firm shall be designated in writing by the Company. In the case of any such separate firm for the Selling Shareholders and such control persons of any Selling Shareholders, such firm shall be designated in writing by the persons named as attorneys-in-fact for the Selling Shareholders under the Powers of Attorney. The indemnifying party shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the indemnifying party agrees to indemnify the indemnified party from and against any loss or liability by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel as contemplated by the second and third sentences of this paragraph, the indemnifying party agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 30 days after receipt by such indemnifying party of the aforesaid request and (ii) such indemnifying party shall not have reimbursed the indemnified party in accordance with such request prior to the date of such settlement. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding and does not include a statement as to admission of fault, culpability or a failure to act by or on behalf of an indemnified party.

(d) To the extent the indemnification provided for in Section 10(a) or 10(b) is unavailable to an indemnified party or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then each indemnifying party under such paragraph, in lieu of indemnifying such indemnified party thereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (i) in such proportion as is appropriate to reflect the relative benefits received by the indemnifying party or parties on the one hand and the indemnified party or parties on the other hand from the offering of the Shares or (ii) if the allocation provided by clause 10(d)(i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause 10(d)(i) above but also the relative fault of the indemnifying party or parties on the one hand and of the indemnified party or parties on the other hand in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Company and the Selling Shareholders on the one hand and the Underwriters on the other hand in connection with the offering of the Shares shall be deemed to be in the same respective proportions as the net proceeds from the offering of the Shares (before deducting expenses) received by

the Selling Shareholders and the total underwriting discounts and commissions received by the Underwriters, in each case as set forth in the table on the cover of the Prospectus, bear to the aggregate Public Offering Price of the Shares. The relative fault of the Company and the Selling Shareholders on the one hand and the Underwriters on the other hand shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or the Selling Shareholders or by the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Underwriters' respective obligations to contribute pursuant to this Section 10(d) are several in proportion to the respective number of Shares they have purchased hereunder, and not joint.

(e) The Company and each of the Selling Shareholders and the Underwriters agree that it would not be just or equitable if contribution pursuant to Section 10(d) were determined by *pro rata* allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in Section 10(d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages and liabilities referred to in Section 10(d) shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of Section 10(d), (i) no Selling Shareholder shall be required to contribute or make any other payments under this Agreement which in the aggregate exceed the proceeds received by it, and (ii) no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Shares underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages that such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The remedies provided for in this Section 10 are not exclusive and shall not limit any rights or remedies which may otherwise be available to any indemnified party at law or in equity

(f) The indemnity and contribution provisions contained in this Section 10 and the representations, warranties and other statements of the Company and the Selling Shareholders contained in this Agreement shall remain operative and in full force and effect regardless of (i) any termination of this Agreement, (ii) any investigation made by or on behalf of any Underwriter, any person controlling any Underwriter or any affiliate of any Underwriter, any Selling Shareholder or any person controlling any Selling Shareholder, or the Company, its officers or directors or any person controlling the Company and (iii) acceptance of and payment for any of the Shares.

11. *Termination.* The Underwriters may terminate this Agreement by notice given by you to the Company, if after the execution and delivery of this Agreement and prior to the Closing Date (i) trading generally shall have been suspended or materially limited on, or by, as the case may be, any of the New York Stock Exchange, the American Stock Exchange, the Nasdaq National Market, the Chicago Board of Options Exchange, the Chicago Mercantile Exchange or the Chicago Board of Trade, (ii) trading of any securities of the Company shall have been suspended on any exchange or in any over-the-counter market, (iii) a material disruption in securities settlement, payment or clearance services in the United States or The Netherlands shall have occurred, (iv) any moratorium on commercial banking activities shall have been declared by Federal or New York State authorities or authorities in The Netherlands or (v) there shall have occurred any outbreak or escalation of hostilities, or any change in financial markets or any calamity or crisis that, in your judgment, is material and adverse and which, singly or together with any other event specified in this clause (v), makes it, in your judgment, impracticable or inadvisable to proceed with the offer, sale or delivery of the Shares on the terms and in the manner contemplated in the Time of Sale Prospectus or the Prospectus.

12. *Effectiveness; Defaulting Underwriters*. This Agreement shall become effective upon the execution and delivery hereof by the parties hereto.

If, on the Closing Date or an Option Closing Date, as the case may be, any one or more of the Underwriters shall fail or refuse to purchase Shares that it has or they have agreed to purchase hereunder on such date, and the aggregate number of Shares which such defaulting Underwriter or Underwriters agreed but failed or refused to purchase is not more than one-tenth of the aggregate number of the Shares to be purchased on such date, the other Underwriters shall be obligated severally in the proportions that the number of Firm Shares set forth opposite their respective names in Schedule II bears to the aggregate number of Firm Shares set forth opposite the names of all such non-defaulting Underwriters, or in such other proportions as you may specify, to purchase the Shares which such defaulting Underwriter or Underwriters agreed but failed or refused to purchase on such date; *provided* that in no event shall the number of Shares that any Underwriter has agreed to purchase pursuant to this Agreement be increased pursuant to this Section 12 by an amount in excess of one-ninth of such number of Shares without the written consent of such Underwriter. If, on the Closing Date, any Underwriter or Underwriters shall fail or refuse to purchase Firm Shares and the aggregate number of Firm Shares with respect to which such default occurs is more than one-tenth of the aggregate number of Firm Shares to be purchased on such date, and arrangements satisfactory to you, the Company and the Selling Shareholders for the purchase of such Firm Shares are not made within 36 hours after such default, this Agreement shall terminate without liability on the part of any non-defaulting Underwriter, the Company or the Selling Shareholders. In any such case either you, the Company or any of the Selling Shareholders has the right to postpone the Closing Date, but in no event for longer than seven days, in order that the required changes, if any, in the Registration Statement, in the Time

of Sale Prospectus, in the Prospectus or in any other documents or arrangements may be effected. If, on an Option Closing Date, any Underwriter or Underwriters shall fail or refuse to purchase Additional Shares and the aggregate number of Additional Shares with respect to which such default occurs is more than one-tenth of the aggregate number of Additional Shares to be purchased on such Option Closing Date, the non-defaulting Underwriters shall have the option to (i) terminate their obligation hereunder to purchase the Additional

Shares to be sold on such Option Closing Date or (ii) purchase not less than the number of Additional Shares that such non-defaulting Underwriters would have been obligated to purchase in the absence of such default. Any action taken under this paragraph shall not relieve any defaulting Underwriter from liability in respect of any default of such Underwriter under this Agreement.

If this Agreement shall be terminated by the Underwriters, or any of them, because of any failure or refusal on the part of the Company or any of the Selling Shareholders to comply with the terms or to fulfill any of the conditions of this Agreement, or if for any reason the Company or any of the Selling Shareholders shall be unable to perform its obligations under this Agreement, the Selling Shareholders will reimburse the Underwriters or such Underwriters as have so terminated this Agreement with respect to themselves, severally, for all out-of-pocket expenses (including the fees and disbursements of their counsel) reasonably incurred by such Underwriters in connection with this Agreement or the offering contemplated hereunder.

13. *Submission to Jurisdiction; Appointment of Agent for Service.* Each of the Company and each Selling Shareholder irrevocably submits to the non-exclusive jurisdiction of any New York State or United States Federal court sitting in The City of New York over any suit, action or proceeding arising out of or relating to this Agreement, the Time of Sale Prospectus, the Prospectus, the Registration Statement or the offering of the Shares. Each of the Company and each Selling Shareholder irrevocably waives, to the fullest extent permitted by law, any objection which they may now or hereafter have to the laying of venue of any such suit, action or proceeding brought in such a court and any claim that any such suit, action or proceeding brought in such a court has been brought in an inconvenient forum. Each of the Company and each Selling Shareholder hereby irrevocably appoints CT Corporation System, with offices at 111 Eighth Avenue, New York, New York, 10011 as its agent for service of process in any suit, action or proceeding described in the preceding paragraph and agree that service of process in any such suit, action or proceeding may be made upon it at the office of such agent. Each of the Company and each Selling Shareholder waives, to the fullest extent permitted by law, any other requirements of or objections to personal jurisdiction with respect thereto. Each of the Company and each Selling Shareholder represents and warrants that such agent has agreed to act as its agent for service of process, and each of the Company and each Selling Shareholder agrees to take any and all action, including the filing of any and all documents and instruments, that may be necessary to continue such appointment in full force and effect.

14. *Waiver of Immunity.* To the extent that the Company or any Selling Shareholder may be entitled in any jurisdiction in which judicial proceedings may at any time be commenced hereunder, to claim for itself or its revenues or assets any immunity, including sovereign immunity, from suit, jurisdiction, attachment in aid of execution of a judgment or prior to a judgment, execution of a judgment or any other legal process with respect to its obligations hereunder and to the extent that in any such jurisdiction there may be attributed to the Company or any Selling Shareholder such an immunity (whether or not claimed), the Company hereby and any such Selling Shareholder irrevocably agree not to claim and irrevocably waive such immunity to the maximum extent permitted by law. Each such waiver is binding under the law of The Netherlands and Luxembourg and remains in full force and effect. Notwithstanding the foregoing, any action based on this Agreement may be instituted by the Underwriters in any competent court in The Netherlands or Luxembourg.

15. *Judgment Currency*. If for the purposes of obtaining judgment in any court it is necessary to convert a sum due hereunder into any currency other than United States dollars, the parties hereto agree, to the fullest extent permitted by law, that the rate of exchange used shall be the rate at which in accordance with normal banking procedures the Underwriters could purchase United States dollars with such other currency in The City of New York on the business day preceding that on which final judgment is given. The obligation of each of the Company and each Selling Shareholder with respect to any sum due from it to any Underwriter or any person controlling any Underwriter shall, notwithstanding any judgment in a currency other than United States dollars, not be discharged until the first business day following receipt by such Underwriter or controlling person of any sum in such other currency, and only to the extent that such Underwriter or controlling person may in accordance with normal banking procedures purchase United States dollars with such other currency. If the United States dollars so purchased are less than the sum originally due to such Underwriter or controlling person hereunder, each of the Company and each Selling Shareholder agrees as a separate obligation and notwithstanding any such judgment, to indemnify such Underwriter or controlling person against such loss. If the United States dollars so purchased are greater than the sum originally due to such Underwriter or controlling person hereunder, such Underwriter or controlling person agrees to pay to the Company or the Selling Shareholders, as applicable, an amount equal to the excess of the dollars so purchased over the sum originally due to such Underwriter or controlling person hereunder.

16. *Foreign Taxes*. All payments made by the Company and each Selling Shareholder under this Agreement, if any, will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of The Netherlands, Luxembourg or any political subdivision or any taxing authority thereof or therein unless the Company or such Selling Shareholder is or becomes required by law to withhold or deduct such taxes, duties, assessments or other governmental charges. In such event, the Company

or such Selling Shareholder, severally and not jointly, will pay such additional amounts as will result, after such withholding or deduction, in the receipt by each Underwriter and each person controlling any Underwriter, as the case may be, of the amounts that would otherwise have been receivable in respect thereof, except to the extent such taxes, duties, assessments or other governmental charges are imposed or levied by reason of such Underwriter's or controlling person's being connected with The Netherlands or Luxembourg other than by reason of its being an Underwriter or a person controlling any Underwriter under this Agreement.

17. *Entire Agreement*. (a) This Agreement, together with any contemporaneous written agreements and any prior written agreements (to the extent not superseded by this Agreement) that relate to the offering of the Shares, represents the entire agreement

between the Company and the Selling Shareholders, on the one hand, and the Underwriters, on the other, with respect to the preparation of any preliminary prospectus, the Time of Sale Prospectus, the Prospectus, the conduct of the offering, and the purchase and sale of the Shares.

(b) The Company and the Selling Shareholders acknowledge that in connection with the offering of the Shares: (i) the Underwriters have acted at arm's length, are not agents of, and owe no fiduciary duties to, the Company, the Selling Shareholders or any other person, (ii) the Underwriters owe the Company and the Selling Shareholders only those duties and obligations set forth in this Agreement and prior written agreements (to the extent not superseded by this Agreement), if any, and (iii) the Underwriters may have interests that differ from those of the Company and the Selling Shareholders. The Company and the Selling Shareholders waive to the full extent permitted by applicable law any claims they may have against the Underwriters arising from an alleged breach of fiduciary duty in connection with the offering of the Shares.

18. *Counterparts*. This Agreement may be signed in two or more counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

19. *Applicable Law*. This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York.

20. *Headings*. The headings of the sections of this Agreement have been inserted for convenience of reference only and shall not be deemed a part of this Agreement.

21. *Notices*. All communications hereunder shall be in writing and effective only upon receipt and if to the Underwriters shall be delivered, mailed or sent to you in care of Morgan Stanley & Co. Incorporated, 1585 Broadway, New York, New York 10036, Attention: Equity Syndicate Desk, with a copy to the Legal Department; Goldman, Sachs & Co. One New York Plaza, 42nd Floor, New York, New York 10004, Attention: Registration Department, fax: 212-902-3000; Lehman Brothers Inc., 745 Seventh Avenue, New York, New York 10019,

Attention: Syndicate Registration, fax: 646-834-8133 with a copy to the Director of Litigation, fax: 212-520-0421; Merrill Lynch, Pierce, Fenner & Smith Incorporated, 4 World Financial Center, New York, New York 10080, [Attention: Syndicate Registration, fax: •]; if to the Company shall be delivered, mailed or sent to Evert van de Beekstraat 312, 1118 CX Schiphol Airport, The Netherlands; and if to the Selling Shareholders shall be delivered, mailed or sent to Cerberus Capital Management, L.P., 299 Park Avenue, New York, New York 10171.

Very truly yours,

AERCAP HOLDINGS N.V.

By: _____
Name:
Title:

The Selling Shareholders named in
Schedule I hereto, acting severally

By: _____
[Attorney-in Fact]

The Selling Shareholders named in.
hereto, acting severally

By: _____
[Attorney-in Fact]

The Selling Shareholders named in.
hereto, acting severally

By: [Attorney-in Fact]

The Selling Shareholders named in.
hereto, acting severally

By: [Attorney-in Fact]

Accepted as of the date hereof

Morgan Stanley & Co. Incorporated
Goldman, Sachs & Co.
Lehman Brothers Inc.
Merrill Lynch, Pierce, Fenner & Smith
Incorporated
Acting severally on behalf of themselves
and the several Underwriters named
in Schedule II hereto.

By: Morgan Stanley & Co. Incorporated

By: _____
Name:
Title:

By: Goldman, Sachs & Co.

By: _____
Name:
Title:

By: Lehman Brothers Inc.

By: _____
Name:
Title:

By: Merrill Lynch, Pierce, Fenner &
Smith Incorporated

By: _____
Name:
Title:

SCHEDULE I

Selling Shareholder	Number of Firm Shares To Be Sold
Fern S.à.r.l.	[•]
Fern II S.à.r.l.	[•]
Fern III S.à.r.l.	[•]
Fern IV S.à.r.l.	[•]

Total:	[•]

SCHEDULE II

Underwriter	Number of Firm Shares To Be Purchased
Morgan Stanley & Co. Incorporated	[•]
Goldman, Sachs & Co.	[•]
Lehman Brothers Inc.	[•]
Merrill Lynch, Pierce, Fenner & Smith Incorporated	[•]
UBS Securities LLC	[•]
Wachovia Capital Markets, LLC	[•]
JP Morgan Securities Inc.	[•]
Citigroup Global Markets Inc.	[•]
Calyon Securities (USA) Inc.	[•]
Total:	[•]

SCHEDULE III

Time of Sale Prospectus

1. Preliminary Prospectus issued July [•], 2007.

2. Free writing prospectuses:

3. Public offering price of the Shares and the number of Shares offered to the public.

EXHIBIT E

FORM OF DIRECTOR AND OFFICER LOCK-UP LETTER

July , 2007

Morgan Stanley & Co. Incorporated
1585 Broadway
New York, New York 10036

Goldman, Sachs & Co.
85 Broad Street
New York, New York 10004

Lehman Brothers Inc.
745 Seventh Avenue
New York, New York 10019

Merrill Lynch, Pierce, Fenner & Smith Incorporated
4 World Financial Center
New York, New York 10080

c/o Morgan Stanley & Co. Incorporated

1585 Broadway
New York, New York 10036

Dear Ladies and Gentlemen:

The undersigned understands that Morgan Stanley & Co. Incorporated ("**Morgan Stanley**"), Goldman, Sachs & Co. ("**Goldman**") and Lehman Brothers Inc. ("**Lehman**") propose to enter into an Underwriting Agreement (the "**Underwriting Agreement**") with AerCap Holdings N.V., a company with limited liability (*naamloze vennootshap*) formed in The Netherlands (the "**Company**") and certain shareholders of the Company (the "**Selling Shareholders**"), providing for the public offering (the "**Public Offering**") by the several Underwriters, including Morgan Stanley, Goldman and Lehman (the "**Underwriters**"), of [20,000,000] ordinary shares, nominal value €0.01 per share of the Company.

To induce the Underwriters that may participate in the Public Offering to continue their efforts in connection with the Public Offering, the undersigned hereby agrees that, without the prior written consent of the Representatives on behalf of the Underwriters, it will not, directly or indirectly, during the period commencing on the date hereof and ending [90] days after the date of the final

prospectus (the "**Prospectus**") relating to the Public Offering (such [90]-day period, the "**Lock-Up Period**"), (1) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any ordinary shares or preferred shares (collectively, the "**Bermuda Shares**") of Cerberus Fern Holdings Ltd (Bermuda), Cerberus Fern Holdings II Ltd (Bermuda), Cerberus Fern Holdings III Ltd (Bermuda) and Cerberus Fern Holdings IV Ltd (Bermuda) (collectively, the "**Bermuda Companies**") or any securities convertible into or exercisable or exchangeable for Bermuda Shares or (2) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Bermuda Shares, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of Bermuda Shares or such other securities, in cash or otherwise.

The foregoing shall not apply to (a) transfers of Bermuda Shares or any security convertible into Bermuda Shares as a bona fide gift, (b) transfers to any trust for the direct or indirect benefit of the undersigned or the immediate family of the undersigned, provided that any such transfer shall not involve a disposition for value, (c) transfers of Bermuda Shares upon the death of the undersigned prior to the expiration of the Lock-Up Period as a result of probate or intestate succession laws; or (d) distributions of Bermuda Shares or any security convertible into Bermuda Shares to limited partners or stockholders of the undersigned; provided that in the case of any transfer or distribution pursuant to clause (a), (b), (c) or (d), each transferee, donee or distributee shall sign and deliver a lock up letter substantially in the form of this letter. For purposes of this Lock Up Agreement, "**immediate family**" shall mean any relationship by blood, marriage or adoption, not more remote than first cousin. In addition, the undersigned agrees that, without the prior written consent of the Representatives on behalf of the Underwriters, it will not, during the Lock Up Period, make any demand for or exercise any right with respect to, the registration of any Bermuda Shares or any security convertible into or exercisable or exchangeable for Bermuda Shares. The undersigned also agrees and consents to the entry of stop transfer instructions with the Bermuda Companies' transfer agents and registrars against the transfer of the undersigned's Bermuda Shares except in compliance with the foregoing restrictions.

If:

(1) during the last 17 days of the Lock Up Period the Company issues a earnings release or material news or a material event relating to the Company occurs; or

(2) prior to the expiration of the Lock Up Period, the Company announces that it will release earnings results during the 16-day period beginning on the last day of the Lock Up Period;

the restrictions imposed by this agreement shall continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event.

The undersigned shall not engage in any transaction that may be restricted by this agreement during the 34-day period beginning on the last day of the initial Lock Up Period unless the undersigned requests and receives prior written confirmation from the Company or the Representatives that the restrictions imposed by this agreement have expired.

The undersigned understands that the Company, the Selling Shareholders and the Underwriters are relying upon this agreement in proceeding toward consummation of the Public Offering. The undersigned further understands that this agreement is irrevocable and shall be binding upon the undersigned's heirs, legal representatives, successors and assigns.

Whether or not the Public Offering actually occurs depends on a number of factors, including market conditions. Any Public Offering will only be made pursuant to an Underwriting Agreement, the terms of which are subject to negotiation between the Company, the Selling Shareholders and the Underwriters.

Very truly yours,

(Name)

(Address)

EXHIBIT F

FORM OF SHAREHOLDER LOCK-UP LETTER

July , 2007

Morgan Stanley & Co. Incorporated
1585 Broadway
New York, New York 10036

Goldman, Sachs & Co.
85 Broad Street
New York, New York 10004

Lehman Brothers Inc.
745 Seventh Avenue
New York, New York 10019

Merrill Lynch, Pierce, Fenner & Smith Incorporated
4 World Financial Center
New York, New York 10080

c/o Morgan Stanley & Co. Incorporated
1585 Broadway
New York, New York 10036

Dear Ladies and Gentlemen:

The undersigned understands that Morgan Stanley & Co. Incorporated ("**Morgan Stanley**"), Goldman, Sachs & Co. ("**Goldman**") and Lehman Brothers Inc. ("**Lehman**") propose to enter into an Underwriting Agreement (the "**Underwriting Agreement**") with AerCap Holdings N.V., a company with limited liability (*naamloze vennootshap*) formed in The Netherlands (the "**Company**") and certain shareholders of the Company (the "**Selling Shareholders**"), providing for the public offering (the "**Public Offering**") by the several Underwriters, including Morgan Stanley, Goldman and Lehman (the "**Underwriters**"), of [20,000,000] ordinary shares (the "**Shares**"), nominal value €0.01 per share of the Company (the "**Ordinary Shares**").

To induce the Underwriters that may participate in the Public Offering to continue their efforts in connection with the Public Offering, the undersigned hereby agrees that, without the prior written consent of the Representatives on behalf of the Underwriters, it will not, directly or indirectly, during the period commencing on the date hereof and ending [90] days after the date of the final

prospectus (the "**Prospectus**") relating to the Public Offering (such [90]-day period, the "**Lock Up Period**"), (1) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any Ordinary Shares or any securities convertible into or exercisable or exchangeable for Ordinary Shares or (2) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Ordinary Shares, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of Ordinary Shares or such other securities, in cash or otherwise. The foregoing sentence shall not apply to (a) transactions relating to Ordinary Shares or other securities acquired in open market transactions after the completion of the Public Offering, *provided* that no filing under Section 16(a) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), shall be required or shall be voluntarily made in connection with subsequent sales of Ordinary Shares or other securities acquired in such open market transactions, (b) transfers of Ordinary Shares or any security convertible into Ordinary Shares as a bona fide gift, (c) distributions of Ordinary Shares or any security convertible into Ordinary Shares to limited partners or stockholders of the undersigned or to shareholders of stockholders of the Selling Shareholder or (d) the issuance of Ordinary Shares in connection with the acquisition of, or a joint venture with, another company if the aggregate number of Ordinary Shares issued in such transactions, taken together, does not exceed 5% of the aggregate number of Ordinary Shares in the offering; provided that in the case of any transfer or distribution pursuant to clause (b), (c) or (d), (i) each donee or distributee shall sign and deliver a lock up letter substantially in the form of this letter and (ii) no filing under Section 16(a) of the Exchange Act, reporting a reduction in beneficial ownership of Ordinary Shares, shall be required or shall be voluntarily made during the restricted period referred to in the foregoing sentence. In addition, the undersigned agrees that, without the prior written consent of the Representatives on behalf of the Underwriters, it will not, during the Lock Up Period, make any demand for or exercise any right with respect to, the registration of any Ordinary Shares or any security convertible into or exercisable or

exchangeable for Ordinary Shares. The undersigned also agrees and consents to the entry of stop transfer instructions with the Company's transfer agent and registrar against the transfer of the undersigned's Ordinary Shares except in compliance with the foregoing restrictions.

If:

(1) during the last 17 days of the Lock Up Period the Company issues a earnings release or material news or a material event relating to the Company occurs; or

(2) prior to the expiration of the Lock Up Period, the Company announces that it will release earnings results during the 16-day period beginning on the last day of the Lock Up Period;

the restrictions imposed by this agreement shall continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event.

The undersigned shall not engage in any transaction that may be restricted by this agreement during the 34-day period beginning on the last day of the initial Lock Up Period unless the undersigned requests and receives prior written confirmation from the Company or the Representatives that the restrictions imposed by this agreement have expired.

The undersigned understands that the Company, the Selling Shareholders and the Underwriters are relying upon this agreement in proceeding toward consummation of the Public Offering. The undersigned further understands that this agreement is irrevocable and shall be binding upon the undersigned's heirs, legal representatives, successors and assigns.

Whether or not the Public Offering actually occurs depends on a number of factors, including market conditions. Any Public Offering will only be made pursuant to an Underwriting Agreement, the terms of which are subject to negotiation between the Company, the Selling Shareholders and the Underwriters.

Very truly yours,

_____

(Name of Shareholder)

_____

(Address)

Very truly yours,

_____

Cerberus Capital Management, L.P.

_____

(Address)

ANNEX G

[To be updated by AerCap]
Significant Subsidiaries

The following Significant Subsidiaries have the following encumbrances attached to the shares of such Significant Subsidiary

AeroTurbine, Inc.

A security interest in the capital stock and the certificates representing the capital stock of AeroTurbine, Inc. for the benefit of Calyon S.A. New York Branch pursuant to a pledge agreement dated 26 April, 2006 between AerCap, Inc and Calyon S.A. New York branch.

The security interest is granted in connection with a senior credit agreement dated as of April 26, 2006, among AerCap AT, Inc. ass borrower, the several banks and other financial institutions or entities from time to time parties to the senior credit agreement as lenders, Calyon S.A. New York Branch, as administrative agent for the lenders, HSH Nordbank AG, as syndication agent, and Wachovia Bank N.A. and National City Bank, as co-documentation agents.

AerCap Leasing XXX B.V.

A pledge of AerCap B.V.'s right, title, benefit and interest in the shares of AerCap Leasing XXX B.V. and AerCap B.V.'s existing and future rights and claims as a shareholder towards AerCap Leasing XXX B.V. to the extent these are capable of being pledged for the benefit of Sunrise Leasing Limited (the "**Pledge**") pursuant to a deed of pledge dated 25 April 2003 between AerCap Leasing XXX B.V. (formerly known as debis Aircraft Leasing XXX B.V.), AerCap B.V. (formerly known as debis AirFinance B.V.) and Sunrise Leasing Limited.

A repledge of the Pledge for the benefit of Credit Lyonnais S.A. pursuant to a deed of repledge dated 25 April 2003 between AerCap Leasing XXX B.V., AerCap B.V., Sunrise Leasing Limited and Credit Lyonnais S.A.

The pledge an repledge are granted in connection with a Facility Agreement in respect of up to 29 Airbus Aircraft dated 23 April 2003 as amended and restated (the "**Facility**") between the banks and financial institutions listed in the Facility as British Lenders, French Lenders, German Banking syndicate and mismatch lenders respectively, KfW as German parallel lender, Calyon S.A. acting through its office in England, in its capacity as national agent of the British Lenders, Calyon S.A, in its capacity as national agent of the French Lenders, KfW in its capacity as national agent of the German Lenders, Calyon S.A. in its capacity as agent of the ECA Lenders, Calyon S.A. in its capacity as agent of the mismatch lenders, Credit Lyonnais S.A. in its capacity as security trustee for and on behalf of the secured parties, the companies named in the Facility as borrowers,

Sunflower Aircraft Leasing Limited as principal Irish lessee, AerCap Leasing XXX B.V. as principal Dutch lessee, Wells Fargo Bank Northwest, National Association, in its capacity as owner trustee under the trust agreement, and AerCap B.V.

Sunflower Aircraft Leasing Limited

A charge over the shares of Sunflower Aircraft Leasing Limited for the benefit of Sunrise Leasing Limited pursuant to a Charge of Shares in respect of Sunflower Aircraft Leasing Limited dated 26 July 2005 between AerCap Ireland Limited and Sunrise Leasing Limited.

The charge is granted in connection with a Facility Agreement in respect of up to 29 Airbus Aircraft dated 23 April 2003 as amended and restated (the "**Facility**") between the banks and financial institutions listed in the Facility as British Lenders, French Lenders, German Banking syndicate and mismatch lenders respectively, KfW as German parallel lender, Calyon S.A. acting through its office in England, in its capacity as national agent of the British Lenders, Calyon S.A, in its capacity as national agent of the French Lenders, KfW in its capacity as national agent of the German Lenders, Calyon S.A. in its capacity as agent of the ECA Lenders, Calyon S.A. in its capacity as agent of the mismatch lenders, Credit Lyonnais S.A. in its capacity as security trustee for and on behalf of the secured parties, the companies named in the Facility as borrowers, Sunflower Aircraft Leasing Limited as principal Irish lessee, AerCap Leasing XXX B.V. as principal Dutch lessee, Wells Fargo Bank Northwest, National Association, in its capacity as owner trustee under the trust agreement, and AerCap B.V.

ALS Aircraft Leasing MSN 258 Limited

A mortgage, charge and assignment of all of Aircraft Lease Securitisation Limited's present and future right, title, benefit and interest in and to the shares of ALS Aircraft Leasing MSN 258 Limited, all additional or other shares or securities in ALS Aircraft Leasing MSN 258 Limited and all dividends, cash and property derived from such shares, additional shares and securities, by Aircraft Lease Securitisation Limited for the benefit of Deutsche Bank Trust Company Americas pursuant to a mortgage of shares between Aircraft Lease Securitisation Limited and Deutsche Bank Trust Company Americas dated 15 September 2005.

The mortgage, charge and assignment is granted in connection with a note purchase agreement dated 31 August 2005 between Aircraft Lease Securitisation Limited, AerCap B.V. and Lehman Brothers, Inc. for itself and as representative on behalf of the initial purchasers and as placement agent.

Bella Aircraft Leasing 1 Limited

A charge and mortgage of all of AerCap Ireland Limited's and Deucalion Capital II (UK) Limited's right, title and interest in and to the issued shares of Bella Aircraft Leasing Limited and all other shares in Bella Aircraft Leasing Limited from time to time legally or beneficially owned by AerCap Ireland Limited and/or Deucalion Capital II (UK) Limited (the "**Charged Shares**") and all dividends or other distributions, interests and other moneys paid or payable in connection therewith and all interests in and all rights accruing from time to time to or I respect of the Charged Shares, for the benefit of DVB Bank AG, London Branch, pursuant to a Share charge relating to the shares of Bella Aircraft Leasing 1 Limited dated 21 April 2006 between Deucalion Capital II (UK) Limited, AerCap Ireland Limited and DVB Bank AG.

The charge and mortgage is granted in connection with a loan agreement dated [ ] between Bella Aircraft Leasing 1 limited as borrower, DVB Bank AG, London Branch as Agent, DVB Bank AG, London Branch, as Security Trustee and the lenders referred to in the loan agreement.

Exhibit 5.1

Postbus 7113
1007 JC Amsterdam
Strawinskylaan 1999
1077 XV Amsterdam
T +31 20 717 10 00
F +31 20 717 11 11

Amsterdam, 10 July 2007

AerCap Holdings N.V.
Evert van de Beekstraat 312
1118 CX Schiphol Airport
The Netherlands

Ladies and Gentlemen,

SEC Exhibit 5.1 opinion letter

This opinion letter is rendered to you in order to be filed as an exhibit to the registration statement on Form F-1 filed by you with the U.S. Securities and Exchange Commission (as amended, the "**Registration Statement**").

We have acted as legal counsel to AerCap Holdings N.V. a public company with limited liability (*naamloze vennootschap*), organized under the laws of the Netherlands ("**AerCap**") as to Netherlands law in connection with the sale by Fern S.a.r.l I, Fern S.a.r.l II, Fern S.a.r.l III, Fern S.a.r.l IV (collectively, the the "**Selling Shareholders**") of up to 23,000,000 of AerCap's ordinary shares in registered form with a nominal value of EUR 0.01 (the "**Ordinary Shares**") in the capital of Aercap, including Ordinary Shares to be sold upon exercise by the underwriters of the overallotment option pursuant to an underwriting agreement among the underwriters (as mentioned in the Registration Statement), AerCap and the Selling Shareholders.

The section headings used in this opinion letter are for convenience or reference only and are not to affect its construction or be taken into consideration in its interpretation.

This opinion letter is addressed to you. It may be relied upon only in connection with the Registration Statement. This opinion letter is strictly limited to the matters stated in it and may not be read as extending by implication to any matters not specifically referred to in it. Nothing in this opinion letter should be taken as expressing an opinion in respect of any representation or warranty or other information contained in any document.

In rendering the opinions expressed in this opinion letter, we have exclusively reviewed and we have relied upon the following documents: (i) a copy of the deed of incorporation of AerCap, dated 10 July 2006, (ii) a deed of amendment of the articles of association of AerCap dated 10 November 2006 and 25 June 2007, (iii) the minutes of a shareholders meeting of AerCap held on 25 June 2007, (iv) resolutions of the board of AerCap passed on 27 September 2006 and 15 November 2006; the minutes and resolutions mentioned in (iii) and (iv) respectively are collectively referred to as the "**Resolutions**", (v) a copy of the share register of AerCap, (vi) a private deed of issue dated 20 November 2006 relating to the issuance of 6,800,000 ordinary shares by AerCap, (vii) an extract dated today from the Commercial Register relating to AerCap and (viii) a certificate signed by the Chief Executive Officer and the Chief Financial Officer of AerCap that (X) AerCap has not (i) been dissolved (*ontbonden*), (ii) ceased to exist pursuant to a merger (*fusie*) or a division (*splitsing*), (iii) had its assets placed under administration (*onder bewind gesteld*), (iv) been declared bankrupt (*failliet verklaard*) or granted a suspension of payments (*surseance van betaling verleend*), or (v) been made subject to any other insolvency proceedings under any applicable law or otherwise be limited in its rights to dispose of its assets and (Y) the Resolutions are in full force and effect,

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correctly reflect the resolutions stated in them and the factual statements made in the Resolutions are complete and correct.

This opinion letter sets out our opinion on certain matters of the laws with general applicability of the Netherlands as they stand at today's date and as they are presently interpreted under published authoritative case law of the Netherlands courts and the opinions expressed in this opinion letter are limited in all respects to and are to be construed and interpreted in accordance with, Netherlands law. We do not express any opinion on public international law or on the rules promulgated under or by any treaty or treaty organisation, except insofar as these rules are directly applicable in the Netherlands, nor do we express any opinion on Netherlands or European competition law or tax laws. No undertaking is assumed on our part to revise, update or amend this opinion letter in connection with or to notify or inform you of, any developments and/or changes of Netherlands law subsequent to today's date.

This opinion letter may only be relied upon on the condition that you accept that the legal relationship between yourselves and NautaDutilh N.V. is governed by Netherlands law and our general conditions and that any issues of interpretation or liability arising out of or in connection with this opinion letter are submitted to the exclusive jurisdiction of the competent courts at Amsterdam, the Netherlands.

In this opinion letter, legal concepts are expressed in English terms. The Netherlands legal concepts concerned may not be identical in meaning to the concepts described by the English terms as they exist under the law of other jurisdictions. In the event of a conflict or inconsistency, the relevant expression shall be deemed to refer only to the Netherlands legal concepts described by the English terms.

For the purposes of this opinion letter, we have assumed that:

a. all documents reviewed by us as originals are complete and authentic and the signatures on these documents are the genuine signatures of the persons purporting to have signed the same, all documents reviewed by us as drafts of documents or as fax, photo or electronic copies of originals are in conformity with the executed originals and these originals are complete and authentic and the signatures on them are the genuine signatures of the persons purporting to have signed the same; and

b. all entries in the share register of AerCap are complete and correct;

Based upon and subject to the foregoing and subject to the qualifications set forth in this opinion letter, we are of the opinion that:

1. AerCap has been duly incorporated and is validly existing as a public company with limited liability (*naamloze vennootschap*) under Netherlands law.

2. The Ordinary Shares have been validly issued, fully paid and are non-assessable

The opinions expressed above are subject to the following qualifications:

A. The term "non-assessable" as used herein means that a holder of a share will not by reason of being merely such a holder, be subject to assessment or calls by AerCap or its creditors for further payment on such share.

B. Registration in, or deregistration from a share register is not a constitutive requirement under the laws of the Netherlands for (a) the authorisation, creation, issue, transfer, cancellation or redemption of shares in the capital of a company or (b) the creation of any lien, claim or other encumbrance, including without limitation a right of pledge or a right of usufruct with respect to shares; consequently, there is no way of verifying conclusively whether the information contained in a share register is accurate.

We consent to the filing of this opinion as Exhibit 5.1 to the Registration Statement hereby and further consent to the reference to our firm in the Registration Statement under the caption "Legal Matters".

Yours faithfully,

/s/ NautaDutilh N.V.

NautaDutilh N.V

Exhibit 10.2

AMENDED AND RESTATED CREDIT AGREEMENT

dated as of May 8, 2007

among

AERFUNDING 1 LIMITED,
as Borrower,

AERCAP IRELAND LIMITED
individually and as Servicer,

THE OTHER SERVICE PROVIDERS NAMED HEREIN,

UBS REAL ESTATE SECURITIES INC.
and
THE OTHER FINANCIAL INSTITUTIONS NAMED HEREIN AS CLASS A LENDERS,
as Class A Lenders,

UBS REAL ESTATE SECURITIES INC.
and
THE OTHER FINANCIAL INSTITUTIONS NAMED HEREIN AS CLASS B LENDERS,
as Class B Lenders,

UBS SECURITIES LLC,
as Administrative Agent,

UBS SECURITIES LLC
as UBS Funding Agent,

THE OTHER FUNDING AGENTS NAMED HEREIN,
as Other Funding Agents,

and

DEUTSCHE BANK TRUST COMPANY AMERICAS,
as Collateral Agent and Account Bank,

AMENDED AND RESTATED CREDIT AGREEMENT

THIS AMENDED AND RESTATED CREDIT AGREEMENT is made and entered into as of May 8, 2007 among AERFUNDING 1 LIMITED, an exempted company organized and existing under the laws of Bermuda (the "Borrower"), AERCAP IRELAND LIMITED, a limited company incorporated and existing under the laws of Ireland ("AerCap"), as primary servicer under the Servicing Agreement (AerCap in such capacity, or any successor servicer appointed pursuant to Section 12.3 hereof, the "Servicer"), AERCAP ADMINISTRATIVE SERVICES LIMITED, a limited company incorporated and existing under the laws of Ireland ("AASL"), individually and as primary administrative agent under the Service Provider Administrative Agency Agreement (AASL in such capacity, or any successor primary administrative agent appointed pursuant to Section 12.3 hereof, the "Service Provider Administrative Agent"), AERCAP CASH MANAGER II LIMITED, a limited company incorporated and existing under the laws of Ireland ("ACML"), individually and as financial administrative agent under the Service Provider Administrative Agency Agreement (ACML in such capacity, or any successor financial administrative agent appointed pursuant to Section 12.3 hereof, the "Financial Administrative Agent"), and as cash manager under the Cash Management Agreement (ACML in such capacity, or any successor cash manager appointed pursuant to Section 12.3 hereof, the "Cash Manager"), and as insurance servicer under the Servicing Agreement (ACML in such capacity, or any successor financial administrative agent appointed pursuant to Section 12.3 hereof, the "Insurance Servicer"), UBS REAL ESTATE SECURITIES INC. ("UBSRESI"), THE FINANCIAL INSTITUTIONS IDENTIFIED AS CLASS A LENDERS ON THE SIGNATURE PAGES HEREOF and THE OTHER FINANCIAL INSTITUTIONS THAT BECOME PARTIES HERETO AS CLASS A LENDERS (together with any permitted successors and assigns, "Class A Lenders"), UBSRESI, THE FINANCIAL INSTITUTIONS IDENTIFIED AS CLASS B LENDERS ON THE SIGNATURE PAGES HEREOF and THE OTHER FINANCIAL INSTITUTIONS THAT BECOME PARTIES HERETO AS CLASS B LENDERS (together with any permitted successors and assigns, "Class B Lenders" and, together with the Class A Lenders, the "Lenders"), UBS SECURITIES LLC ("UBSS"), as agent (UBSS in such capacity, the "Administrative Agent") for the Lenders, UBSS as funding agent (UBSS in such capacity, the "UBS Funding Agent") for the UBS Funding Group (as defined below), each Other Funding Agent (as defined below) as funding agent for its related Other Funding Group (as defined below), and DEUTSCHE BANK TRUST COMPANY AMERICAS, in its capacity as Collateral Agent (as defined below) and in its capacity as Account Bank (as defined below).

W I T N E S S E T H :

WHEREAS, certain parties hereto entered into, or otherwise became parties to, the Credit Agreement, dated as of April 26, 2006, among the Borrower, AerCap, AASL, ACML, the Lenders (as defined under the Original Agreement), UBSS and Deutsche Bank Trust Company Americas (as amended prior to the date hereof, the "Original Agreement");

WHEREAS, the outstanding "Class A Advances," "Class B Advances" and "Class C Advances" under, and as defined in, the Original Agreement, and all accrued "Yield," "Fees" and other "Obligations" payable under, and as defined in, the Original Agreement (collectively, the "Original Agreement Repayment Amount"), shall be paid on the Closing Date

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(as defined below) from (i) the available proceeds of an ABS Transaction to be consummated on the Closing Date (the "Closing Date ABS Transaction") and, (ii) to the extent that such available proceeds are less than the Original Agreement Repayment Amount, (a) the proceeds of Class A Advances and Class B Advances made hereunder on the Closing Date for such purpose (such Class A Advances and Class B Advances, collectively, the "Original Agreement Refinancing Advance") and (b) funds made available to the Borrower from AerCap from the incurrence of additional debt under the AerCap Sub Notes; and

WHEREAS, the parties hereto hereby intend to amend and restate the Original Agreement on the terms and conditions specified herein;

NOW THEREFORE, for good and valuable consideration, the adequacy, receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree that, subject only to the execution and delivery of this Agreement by the parties hereto, the Original Agreement is hereby amended and restated in its entirety to read as follows:

ARTICLE I

DEFINITIONS

SECTION 1.1 Defined Terms. As used in this Agreement, the following terms have the following meanings:

"AASL" has the meaning set forth in the Preamble.

"ABS Asset Purchase Agreement" means an agreement, in form and substance satisfactory to the Administrative Agent, providing for the sale and transfer of Aircraft Assets, and/or beneficial interests in Borrower Subsidiaries to an ABS Issuer and/or any Subsidiaries thereof by AerCap (subsequent to a purchase of such Aircraft Assets and/or beneficial interests in Borrower Subsidiaries by AerCap from the Borrower and/or certain Borrower Subsidiaries) in connection with an ABS Transaction.

"ABS Issuer" means any special purpose corporation, trust or other entity which shall issue, whether by public offering or private placement (whether under Rule 144A promulgated under the Securities Act of 1933 or otherwise), any asset-backed securities secured by, or representing an interest in, any Aircraft Assets, and/or beneficial interests in any Borrower Subsidiaries, which Aircraft Assets, and/or beneficial interests in Borrower Subsidiaries, shall have been transferred to such ABS Issuer and/or any Subsidiaries thereof pursuant to an ABS Asset Purchase Agreement.

"ABS Subject Aircraft" means a Funded Aircraft which is the subject of an executed and effective ABS Asset Purchase Agreement, but which has not yet been transferred (whether directly or by transfer of any related Borrower Subsidiary) to the applicable ABS Issuer and/or any Subsidiary thereof under the terms of such ABS Asset Purchase Agreement.

"ABS Transaction" means an issuance, whether by public offering or private placement (whether under Rule 144A promulgated under the Securities Act of 1933 or otherwise), by an

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ABS Issuer of any asset-backed securities secured by, or representing an interest in, any Aircraft Assets, and/or beneficial interests in any Borrower Subsidiaries, which Aircraft Assets, and/or beneficial interests in Borrower Subsidiaries, shall have been transferred to such ABS Issuer and/or any Subsidiaries thereof by the Borrower and/or certain Borrower Subsidiaries pursuant to an ABS Asset Purchase Agreement.

"Account Bank" means initially Deutsche Bank Trust Company Americas and any successor or replacement thereof.

"ACML" has the meaning set forth in the Preamble.

"Additional Advance Commitment Period" means the period commencing on the Closing Date and ending on the Conversion Date.

"Additional Advance Date" has the meaning set forth in Section 2.1(g)(i).

"Additional Advance Request" has the meaning set forth in Section 2.2(b).

"Additional Advances" has the meaning set forth in Section 2.1(e).

"Additional Class A Advances" has the meaning set forth in Section 2.1(d).

"Additional Class B Advances" has the meaning set forth in Section 2.1(e).

"Additional Lease" means a Lease of an Additionally Financed Aircraft that is listed as an "Additional Lease" on Schedule III hereto, as such schedule is required, pursuant to the terms hereof, to be amended, restated or otherwise modified from time to time.

"Additionally Financed Aircraft" means an Aircraft with respect to which an Advance (other than an Improvement Advance) is made subsequent to the Initial Advance Date and which is listed as an "Additionally Financed Aircraft" on Schedule I hereto, as such schedule is required, pursuant to the terms hereof, to be amended, restated or otherwise modified from time to time.

"Adjusted Appraised Base Value" means, as of any date of determination, with respect to an individual Aircraft, its adjusted appraised value determined by the following calculation to reflect straight line depreciation using the Applicable Useful Life of such Aircraft to a "zero" assumed residual/salvage value:

IABV - - [((IABV) / (AUL - M)) x N]

where:

IABV = the Applicable Initial Appraised Base Value of such Aircraft;

AUL = the Applicable Useful Life of such Aircraft in months;

M = the number of months elapsed between the date of manufacture of such Aircraft (or, if applicable, the Freighter Conversion Effective Date) and the date on which the initial Advance with respect to such Aircraft was made hereunder (or, if applicable, the date on which an Improvement Advance is made with respect to such Aircraft); and

N = the number of months elapsed since the date on which the initial Advance with respect to such Aircraft was made hereunder (or, if applicable, the date on which an Improvement Advance was made with respect to such Aircraft), to the date of determination.

"Adjusted Appraised Market Value" means, as of any date of determination, with respect to an individual Aircraft, its adjusted appraised value determined by the following calculation to reflect straight line depreciation using the Applicable Useful Life of such Aircraft to a "zero" assumed residual/salvage value:

IACMV - [((IACMV) / (AUL - M)) x N]

where:

IACMV = the Applicable Initial Current Market Value of such Aircraft;

AUL = the Applicable Useful Life of such Aircraft in months;

M = the number of months elapsed between the date of manufacture of such Aircraft (or, if applicable, the Freighter Conversion Effective Date) and the date on which the initial Advance with respect to such Aircraft was made hereunder (or, if applicable, the date on which an Improvement Advance is made with respect to such Aircraft); and

N = the number of months elapsed since the date on which the initial Advance with respect to such Aircraft was made hereunder (or, if applicable, the date on which an Improvement Advance was made with respect to such Aircraft), to the date of determination.

"Adjusted Book Value" means, as of any date of determination, with respect to an individual Aircraft, its adjusted book value determined by the following calculation to reflect straight line depreciation using the Applicable Useful Life of such Aircraft to a "zero" assumed residual/salvage value:

IABKV - - [((IABKV) / (AUL - M)) x N]

where:

IABKV = the Applicable Initial Book Value of such Aircraft;

AUL = the Applicable Useful Life of such Aircraft in months;

M = the number of months elapsed between the date of manufacture of such Aircraft (or, if applicable, the Freighter Conversion Effective Date) and the date on which the initial Advance with respect to such Aircraft was made hereunder (or, if applicable, the date on which an Improvement Advance is made with respect to such Aircraft); and

N = the number of months elapsed since the date on which the initial Advance with respect to such Aircraft was made hereunder (or, if applicable, the date on which an Improvement Advance was made with respect to such Aircraft), to the date of determination.

"Adjusted Borrowing Value" means with respect to an Eligible Aircraft and as of any date of determination, (a) for an Eligible Aircraft of the Type described as "Category 1" on Appendix I hereto, the lowest of its Adjusted Book Value, its Adjusted Appraised Base Value and its Adjusted Appraised Market Value as of such date, and (b) for an Eligible Aircraft of the Type described as either "Category 2" or "Category 3" on Appendix I hereto, the lower of its Adjusted Appraised Base Value and its Adjusted Appraised Market Value as of such date. The Adjusted Borrowing Value of an Aircraft that is not an Eligible Aircraft as of the related date of determination, or as to which an Event of Loss has occurred as of the related date of determination, shall be zero. Also, while Critical Mass exists, to the extent that inclusion of the Adjusted Borrowing Value of a particular Aircraft under clause (b) of the definition of Facility Limit Percentage causes the Facility Limit Percentage to exceed an Aircraft Type Concentration Limit, Country/Region Concentration Limit or Widebody Maximum Percentage, as applicable, such Adjusted Borrowing Value, when used in calculating any Borrowing Base, will be reduced to the highest amount which, if included under such clause (b), would not cause such an excess.

"Administrative Agent" has the meaning set forth in the Preamble.

"Advance" means any amount disbursed by any Lender to the Borrower under this Agreement.

"Advance Date" means the Initial Advance Date or an Additional Advance Date.

"Advance Rate" means, with respect to any Aircraft, the Class A Advance Rate and Class B Advance Rate, or any of them, applicable to such Aircraft as of any date of determination.

"Advance Rate Adjustment" means, with respect to any Aircraft, an adjustment to the Base Advance Rates for an Aircraft of that Type, attributable to an Aircraft Age Advance Rate Adjustment, Aircraft Type Concentration Advance Rate Adjustment, Critical Mass Advance Rate Adjustment, Lessee Diversity Score Advance Rate Adjustment, or Weighted Average Portfolio Age Advance Rate Adjustment. Such Advance Rate Adjustments will apply to the determination of the applicable Advance Rates against Adjusted Borrowing Value, and be redetermined with all applicable adjustments being given current effect, as of each Payment Date

or any other date as of which a Borrowing Base is being determined, except as contemplated in the last sentence of the definition of Aircraft Age Advance Rate Adjustment herein. All applicable Advance Rate Adjustments as of any particular date of determination will apply on a cumulative basis to reduce the otherwise applicable Base Advance Rate.

"Adverse Claim" means any Lien or any title retention, trust, or other type of preferential arrangement having the effect or purpose of creating a Lien or any claim of ownership, other than Permitted Liens.

"AerCap" has the meaning set forth in the Preamble.

"AerCap-Borrower Purchase Agreement" means the Purchase Agreement, substantially in the form of Exhibit M hereto, dated as of April 26, 2006, by and among the Borrower, AerCap and other vendors, as amended, restated, supplemented or otherwise modified from time to time pursuant to the terms thereof.

"AerCap Group" means AerCap Holdings N.V. (or, in the event that AerCap Holdings N.V. is replaced as parent entity of the AerCap Group and as the Supporting Party in accordance with Section 12.1(f), such successor entity to AerCap Holdings N.V.) and its consolidated Subsidiaries.

"AerCap Liquidity Facility" means the liquidity loan agreement, dated April 26, 2006, from AerCap as lender in favor of the Borrower, established for the purpose of funding the portion of Approved Asset Improvement Costs of the Borrower expected to be repaid with the proceeds of an Improvement Advance hereunder (with the remaining portion of such costs to be funded through advances under the AerCap Sub Note).

"AerCap Sub Notes" means, collectively, (i) that certain subordinated note of the Borrower, dated April 26, 2006 (and as amended and restated May 8, 2007), issued to AerCap, the principal of and interest on which are repayable on a subordinated basis to the Borrower's obligations to the Lenders, pursuant to the Flow of Funds and/or (ii) any other subordinated note of the Borrower, in form and substance identical to the subordinated note described in clause (i), issued to AerCap Holdings N.V. or any wholly owned Subsidiary of AerCap Holdings N.V., the principal of and interest on which are repayable on a subordinated basis to the Borrower's obligations to the Lenders, pursuant to the Flow of Funds.

"Affected Lender" has the meaning set forth in Section 6.6(a).

"Affected Party" has the meaning set forth in Section 6.2(a).

"Affiliate" of any Person means any other Person that (i) directly or indirectly controls, is controlled by or is under common control with such Person (excluding any trustee under, or any committee with responsibility for administering, any employee benefit plan), or (ii) is an officer, trustee or director of such person. Without limiting the foregoing, a Person shall be deemed to be "controlled by" any other Person if such other Person possesses, directly or indirectly, power:

(a) to vote greater than 50% or more of the securities, membership interests or similar ownership interests (on a fully diluted basis) having ordinary voting power for the election of directors, members, managing partners or similar Persons; or

(b) to direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

The word "Affiliated" has a correlative meaning.

"Agreement" means this Amended and Restated Credit Agreement, as it may be amended, restated, supplemented or otherwise modified from time to time.

"Aircraft" means one or more of the commercial aircraft (including, without limitation, the airframe and all engines and parts with respect thereto) listed on Schedule I hereto, as such schedule is required, pursuant to the terms hereof, to be amended, restated or otherwise modified from time to time.

"Aircraft Acquisition Documents" means (a) in respect of any Aircraft to become a Funded Aircraft (other than as contemplated in clause (b) of this definition), any of the related Lease, a bill of sale, a lease assignment and assumption agreement, the purchase agreement pursuant to which AerCap or an Aircraft Owning Entity acquires the Aircraft for on-sale to the Borrower under the AerCap-Borrower Purchase Agreement, and any invoice or other documentation evidencing the purchase price paid for such assets (to the extent not evidenced by any of the foregoing other documents); and (b) in the case of the ANA Aircraft shall in any event include the Tateha Sale and Conditional Repurchase Agreement, the Tateha Mortgage, the Lyon Lease, the Tombo Sublease, the ANA Subsublease, the Mitsui Tateha Guaranty, the Mitsui Tombo Guaranty, the Lyon Assignment, and the Tombo Assignment.

"Aircraft Age" means, where such term is used in the definitions of Aircraft Age Limit, Aircraft Age Advance Rate Adjustment and Weighted Average Aircraft Age, the age in integral number of completed elapsed months of an Aircraft since its date of manufacture (or, if such Aircraft has been subjected to a Freighter Conversion to a Freighter Type, since the related Freighter Conversion Effective Date). With respect to an Aircraft that becomes a Funded Aircraft on a date that is after a Determination Date (or, if the first Determination Date has not yet occurred, the Closing Date) and is before or on the next succeeding Determination Date, the Aircraft Age of such Aircraft for purposes of the foregoing definitions will be deemed to be its Aircraft Age in months on and as of such next succeeding Determination Date.

"Aircraft Age Advance Rate Adjustment" means, with respect to any Type of Aircraft, an adjustment to the Base Advance Rate for that Type based on the Aircraft Age and Aircraft Age Range for that Type, as follows:

(a) for Aircraft with an Aircraft Age lower than the fourth lowest number in the Aircraft Age Range for Aircraft of that Type, there is no adjustment; and

(b) for Aircraft with an Aircraft Age within the Aircraft Age Range for Aircraft of that Type, (i) if such Aircraft Age at least equals the fourth lowest integral

number in the Aircraft Age Range but does not equal or exceed the third next higher (*i.e.*, the seventh lowest) integral number within the Aircraft Age Range, the applicable Base Advance Rate will decrease by 0.375 percentage points so long as Critical Mass does not exist, and by 0.25 percentage points while Critical Mass exists, and (ii) for each additional third higher integral number within the Aircraft Age Range that such Aircraft Age at least equals but does not exceed, the applicable Base Advance Rate will decrease by an additional 0.375 percentage points so long as Critical Mass does not exist, and by an additional 0.25 percentage points while Critical Mass exists.

An Aircraft of any particular Type whose Aircraft Age exceeds (measuring by integral months of Aircraft Age) the related Aircraft Age Limit at the time of its proposed addition to the Borrower's Portfolio, is not eligible to become a Funded Aircraft and accordingly has a zero Advance Rate. It is understood that the Aircraft Age Advance Rate Adjustment is applied to a particular Aircraft in determining a Borrowing Base for that Aircraft as of the date it first becomes a Funded Aircraft hereunder (and based on its deemed Aircraft Age on that date as described in the definition of Aircraft Age), but no further adjustment is to occur due to the aging of the Aircraft after such date for so long as it remains a Funded Aircraft within the Borrower's Portfolio; provided that upon the occurrence of a Freighter Conversion Effective Date for such Aircraft, the next Borrowing Base determination after such date will reflect the change in Aircraft Age due to such Freighter Conversion (as contemplated in the definition of Aircraft Age), after which no further adjustment is to occur due to the aging of the Aircraft after such determination for so long as it remains a Funded Aircraft within the Borrower's Portfolio.

"Aircraft Age Limit" means, for each Type of Aircraft listed on Table 1 to Appendix I hereto, the highest number in the Aircraft

Age Range. An Aircraft of any particular Type whose Aircraft Age exceeds the Aircraft Age Limit for such Type at the time of its proposed addition to the Borrower's Portfolio, is not eligible to become a Funded Aircraft hereunder.

"Aircraft Age Range" means, for each Type of Aircraft listed on Table 1 to Appendix I hereto, the range of months for Aircraft Age set forth under the category "Maximum Age" for that Type on Table 1 of Appendix I.

"Aircraft Asset Expenses" has the meaning set forth in the Servicing Agreement; provided, that when such term is used in the Flow of Funds, Aircraft Asset Expenses shall not be deemed to include expenses that have been paid with funds withdrawn from the Maintenance Reserve Account or the Security Deposit Account, and also shall not include expenses and costs attributable to Approved Asset Improvements.

"Aircraft Assets" means one or more Aircraft, together with the related assets with respect thereto, including, without limitation, the Leases with respect to such Aircraft (and the Related Security with respect thereto) and any related Security Deposits, Maintenance Reserves or other cash reserves.

"Aircraft Limitation Event" means that at any time that a Critical Mass exists, and immediately after giving effect to any of the following:

(a) an acquisition into the Borrower's Portfolio of an Aircraft, or

(b) the sale and consequent removal from the Borrower's Portfolio of an Aircraft,

any of the following is true: (i) any Aircraft Type Concentration Percentage will exceed the related Aircraft Type Concentration Limit, (ii) the Category 1 Percentage will be less than the Minimum Category 1 Percentage, (iii) the Weighted Average Portfolio Age will exceed the Weighted Average Portfolio Age Limit, or (iv) the Widebody Percentage will exceed the Widebody Maximum Percentage.

"Aircraft Owning Entity" means a Person that is (i) an entity with Organizational Documents and Operating Documents substantially in the forms attached hereto as Exhibit Q (or in such other form as shall be reasonably satisfactory to the Administrative Agent), (ii) is identified on Schedule II hereto, as such schedule is required, pursuant to the terms hereof, to be amended, restated or otherwise modified from time to time, (iii) either (A) the sole legal owner (including, without limitation, an Owner Trust but excluding an Owner Participant) of the Aircraft listed to the right of such Person's name on such Schedule II hereto (as such schedule is required, pursuant to the terms hereof, to be amended, restated or otherwise modified from time to time), or (B) in the case of the ANA Aircraft, the sole beneficial owner (pursuant to the ANA Beneficial Ownership Structure) of the ANA Aircraft listed to the right of such Person's name on such Schedule II hereto (as such schedule is required, pursuant to the terms hereof, to be amended, restated or otherwise modified from time to time), and (iv) a Person in which the Borrower owns, whether directly or indirectly, all of the Equity Interests.

"Aircraft Sale" has the meaning set forth in Section 7.2(f)(v).

"Aircraft Type Concentration Limit" means, for each Type of Aircraft listed on Table 1 to Appendix I hereto, the highest percentage in the Aircraft Type Concentration Range, or if no Aircraft Type Concentration Range is listed for such Type, then the single percentage for that Type, set forth under the category "Maximum Aircraft Type Concentration Percentage" on Table 1.

"Aircraft Type Concentration Percentage" means, for any date of determination and any particular Type of Aircraft, the Facility Limit Percentage of Aircraft of that Type in the Borrower's Portfolio as of such date.

"Aircraft Type Concentration Range" means, for each Type of Aircraft listed on Table 1 to Appendix I hereto, the range of percentages (if any) for Aircraft of each Type set forth under the category "Maximum Aircraft Type Concentration Percentage" for that Type on Table 1.

"Aircraft Type Concentration Advance Rate Adjustment" means, with respect to any Type of Aircraft, an adjustment to the Base Advance Rate for that Type based on the Aircraft Type Concentration Percentage ("ATCP") for that Type, as follows:

(a) if the ATCP for that Type does not at least equal or exceed the second lowest integral percentage point in the Aircraft Type Concentration Range ("ATCR") for those Types which have an ATCR, or the related Aircraft Type Concentration Limit for those Types which do not have an ATCR, there is no adjustment; and

(b) for Types which have an ATCR, (i) if the ATCP at least equals or exceeds the second lowest integral percentage point in the ATCR but does not equal or exceed the next highest integral percentage point within the ATCR, the applicable Base Advance Rate will decrease by 0.60 percentage points so long as Critical Mass does not exist, or by 0.40 percentage points while Critical Mass exists, and (ii) for each additional integral percentage point within the ATCR that the ATCP equals or exceeds, the applicable Base Advance Rate will decrease by an additional 0.60 percentage points while Critical Mass does not exist, or by an additional 0.40 percentage points while Critical Mass exists, and

(c) for all Types, to the extent the ATCP exceeds the relevant Aircraft Type Concentration Limit (which is the

highest percentage point in the ATCR for Types which have an ATCR), the Adjusted Borrowing Value attributable to Aircraft of such Type that is used in calculating any Borrowing Base will be reduced to the highest amount which, if used in the calculation of ATCP, would not cause such an excess.

"Allocable Advance Amount" means, with respect to any Aircraft and as of any date of determination, an amount equal to the product of (i) the Outstanding Principal Amount as of such date and (ii) a fraction, the numerator of which is equal to the Adjusted Borrowing Value of such Aircraft as of such date and the denominator of which is equal to the sum of the Adjusted Borrowing Values of all Aircraft in the Borrower's Portfolio at such time.

"Alternate Base Rate" means, as of any date, a fluctuating rate of interest per annum (rounded upward, if necessary, to the nearest 1/100th of 1%) equal to the greater of (a) the rate of interest established by UBS AG Stamford Branch as its corporate base rate (such rate not necessarily being the lowest or best rate charged by UBS AG Stamford Branch) as of such date of determination and (b) the Federal Funds Rate most recently determined by the UBS Funding Agent plus 0.50% per annum.

"Amendments" has the meaning set forth in Section 7.1A(a)(v).

"Amortization Period" means the period beginning on the Conversion Date and ending on the Stated Maturity Date.

"AMS AerCap" means AMS AerCap B.V.

"ANA" means All Nippon Airways Co. Ltd., a company organized under the law of Japan.

"ANA Aircraft" means the Airbus A321-100 Aircraft bearing manufacturer's serial number 0802.

"ANA Beneficial Ownership Structure" means the beneficial ownership of the ANA Aircraft by Opal by means of its ability to purchase the ANA Aircraft from Tateha for $1.00 under the Tateha Sale and Conditional Purchase Agreement.

"ANA Sublease" means the Aircraft Sublease Agreement dated September 26, 2002 between Tombo, as lessor, and ANA, as lessee, covering the leasing of the ANA Aircraft, as the

same may be amended, modified or supplemented from time to time pursuant to the terms thereof.

"Anti-Terrorism Laws" has the meaning set forth in Section 9.21.

"Applicable Carrier" means, as of any date, with respect to any Aircraft, the Eligible Carrier that is leasing such Aircraft from the applicable Aircraft Owning Entity or an Applicable Intermediary, on such date.

"Applicable Class A Margin" has the meaning set forth in the Fee Letter.

"Applicable Class B Margin" has the meaning set forth in the Fee Letter.

"Applicable Foreign Aviation Law" means, with respect to any Aircraft, any applicable law, rule or regulation (other than the FAA Act) of any Government Entity of any jurisdiction not included in the United States, governing the registration, ownership, operation, or leasing of all or any part of such Aircraft, or the creation, recordation, maintenance, perfection or priority of Liens on all or any part of such Aircraft.

"Applicable Foreign Government Entity" means, with respect to any Aircraft, any Government Entity that administers an Applicable Foreign Aviation Law.

"Applicable Initial Appraised Base Value" means, with respect to any individual Aircraft,

(a) If an initial Advance was or is being made in respect of such Aircraft but no Improvement Advance has been made in respect thereof, the Applicable Initial Appraised Base Value for such Aircraft shall be equal to the Base Value of such Aircraft set forth in its Initial Base Value Appraisal; and

(b) If an Improvement Advance was or is being made in respect of such Aircraft, the Applicable Initial Appraised Base Value for such Aircraft shall be equal to the Base Value of such Aircraft set forth in its Improvement Base Value Appraisal.

"Applicable Initial Appraised Current Market Value" means, with respect to any individual Aircraft,

(a) If an initial Advance was or is being made in respect of such Aircraft but no Improvement Advance has been or is being made in respect thereof, the Applicable Initial Appraised Current Market Value for such Aircraft shall be equal to the Current Market Value of such Aircraft set forth in its Initial Current Market Value Appraisal; and

(b) If an Improvement Advance was or is being made in respect of such Aircraft, the Applicable Initial Appraised Current Market Value for such Aircraft shall be equal to the Current Market Value of such Aircraft set forth in the Improvement Current Market Value Appraisal.

"Applicable Initial Book Value" means, with respect to any individual Aircraft,

(a) If an initial Advance was or is being made in respect of such Aircraft but no Improvement Advance has been or is being made in respect thereof, the Applicable Initial Book Value for such Aircraft shall be equal to the Book Value of such Aircraft as of the date on which the initial Advance with respect to such Aircraft was made hereunder; and

(b) If an Improvement Advance was or is being made in respect of such Aircraft, the Applicable Initial Book Value for such Aircraft shall be equal to the sum of (i) the amount of Approved Asset Improvement Cost for such Aircraft, plus (ii) the Adjusted Book Value of such Aircraft as of the date such Approved Asset Improvement Costs are incurred, determined using clause (a) immediately above as the Applicable Initial Book Value.

"Applicable Intermediary" means, with respect to any Aircraft, the Eligible Intermediary that has leased such Aircraft from the applicable Aircraft Owning Entity or Owner Trustee, and has subleased such Aircraft to an Applicable Carrier.

"Applicable Margin" means, as the context may require, the Applicable Class A Margin and the Applicable Class B Margin, or any of them.

"Applicable Useful Life" means, in connection with calculating depreciation of an Aircraft, (a) prior to the Freighter Conversion Effective Date for such Aircraft, if ever applicable, 300 months, and (b) if such Aircraft has been subjected to a Freighter Conversion, following the Freighter Conversion Effective Date, 180 months.

"Approved Appraiser" means any commercial aircraft appraiser which is reasonably acceptable to the Administrative Agent, it being understood that as of the Closing Date and the date of any Initial Base Value Appraisal or Initial Current Market Value Appraisal applicable to an Initial Financed Aircraft, Airclaims Limited is an Approved Appraiser.

"Approved Asset Improvement" means, in respect of an Aircraft in the Borrower's Portfolio against which an Advance has been previously made, the Borrower's procurement (using funds derived from advances made to it under the AerCap Liquidity Facility, the AerCap Sub Notes, and/or retained cash flow distributed to it pursuant to the Flow of Funds) of a Freighter Conversion of such Aircraft, or another value-enhancing improvement or upgrade as to such Aircraft (including but not limited to airframe heavy checks, engine refurbishment, landing gear overhaul, APU overhaul, and aircraft reconfiguration).

"Approved Asset Improvement Cost" means the amount of the Borrower's (or applicable Borrower Subsidiary's) cost for an Approved Asset Improvement, following (as applicable) the Freighter Conversion Effective Date or Other Improvement Effective Date in respect of such Approved Asset Improvement, and the Borrower's procurement and delivery to the Administrative Agent of an Improvement Base Value Appraisal and Improvement Current Market Value Appraisal of the related Aircraft.

"Approved Country List" means the list of countries set forth on Schedule IV attached hereto, as such list may be modified and supplemented from time to time in accordance with the

following provisions (it being understood that no country which is a Prohibited Country shall be on the Approved Country List):

(a) if the Administrative Agent advises the Borrower in writing of (i) a change in law or regulation or in the interpretation thereof by a Government Entity after the Original Closing Date, or (ii) the implementation or initial application by a Government Entity after the Original Closing Date of law or regulation in a particular country then on the Approved Country List, that in either case, in the good faith, reasonable judgment of the Administrative Agent makes the financing of Aircraft registered in such country or leased by a Lessee organized under the laws of or domiciled in such country, subject to a material increase in legal risk as to creditor's or lessor's rights, rights of repossession or enforcement, or other material legal risks making it undesirable for a lender to finance such Aircraft (any of the foregoing, an "Adverse Legal Risk Change"), then the Approved Country List shall upon delivery of such written advice be deemed amended and changed to remove such adversely affected country, provided, that no such removal shall be effective as to any Additional Advance for an Additionally Financed Aircraft related to the affected jurisdiction that occurs within 30 days of the delivery of such written advice, unless such Adverse Legal Risk Change itself occurred within such 30 day period; and

(b) with respect to (i) any adversely affected country described in clause (a) above which has been removed from the Approved Country List, or (ii) any other country which is otherwise not on the current Approved Country List, the Borrower may nonetheless provide that such country be treated for all purposes hereunder as if it were named on the list by either (1) obtaining the written agreement of the Administrative Agent to so treat such country as if on the list (or to actually add the country to an amended version of such list, if mutually agreed with the Borrower), or (2) procuring and maintaining Political Risk/Repossession Insurance in respect of Aircraft either registered in such country or that are leased under a Lease with a Lessee domiciled in or organized under the laws of such country (or both, if such is the case), in an amount not less than the Required Coverage Amount; and

(c) any country that has become or becomes a "contracting state" by ratification/accession to the Cape Town Convention and related Aviation Protocol shall be deemed automatically added to the Approved Country List at the time it

becomes such a contracting state.

"Approved Restructuring" means a series of transactions (including the making of intercompany loans and capital contributions, share issuances, share redemptions (which may occur at a premium) and the amendment of the Operating Documents of certain Borrower Subsidiaries to permit such capital contributions, share issuances and share redemptions (which may occur at a premium)) that may occur over a period of time, to transfer the Borrower's ownership interests in certain Borrower Subsidiaries to one or more newly formed Borrower Subsidiaries (each such newly formed Borrower Subsidiary, a "Holdco Subsidiary") each of which shall (i) be wholly owned by the Borrower, (ii) otherwise meet all requirements for all other Borrower Subsidiaries under the Credit Agreement, (iii) become a party to the Security Trust Agreement and, pursuant

to the terms thereof, pledge its ownership interests in each of the Borrower Subsidiaries that it owns and (iv) have its ownership interests pledged by the Borrower pursuant to the terms of the Security Trust Agreement; provided, that, the Administrative Agent shall have received one or more Opinions of Counsel with respect to such transactions addressing substantive consolidation and compliance with Irish corporate law.

"Assignment and Assumption" means an assignment and assumption agreement entered into by a Lender and an assignee of such Lender and acknowledged and agreed to by the related Funding Agent, and, if the assignee thereunder is not an Eligible Assignee and such assignment and assumption agreement is executed prior to the occurrence of an Event of Default, acknowledged and agreed to by the Borrower, substantially in the form of Exhibit C hereto.

"Available Collections" means in respect of any Payment Date, all Collections on deposit in the Collection Account as of the last day of the calendar month preceding such Payment Date; *provided*, that with respect to Leases with rental payments payable by the Lessee less frequently than monthly that are deposited therein during such calendar month, a *pro rata* portion (based on the frequency of payment in months) of such rental payments that have been so received and are held in the Collection Account will be treated as Available Collections received during that and each succeeding calendar month, and in each case applied on the related Payment Date pursuant to the Flow of Funds, with the balance not so applied on a Payment Date being retained in the Collection Account for *pro rata* application on future monthly Payment Dates as aforesaid.

"Base Advance Rate" means any of the percentages set forth on Table 2 of Appendix I for each Type of Aircraft listed on such Table 2, under the headings "Class A Advance Rate before Critical Mass", "Class A Advance Rate after Critical Mass", "Class B Advance Rate before Critical Mass", or "Class B Advance Rate after Critical Mass", as applicable.

"Base Value" means, with respect to any Aircraft and the definitions of Initial Base Value Appraisal and Improvement Base Value Appraisal used herein, the "Base Value" of such Aircraft which, in any case, represents an appraiser's opinion of the underlying economic value of an aircraft in an open, unrestricted, stable market environment with a reasonable balance of supply and demand, and assumes full consideration of its "highest and best use", founded in the historical trend of values and in the projection of future value trends and presuming an arm's length, cash transaction between willing, able and knowledge parties acting prudently, with an absence of duress and with a reasonable period of time available for marketing.

"Board of Directors" means, with respect to any Person, (i) in the case of any corporation, the board of directors of such person, (ii) in the case of any limited liability company, the board of managers of such person, (iii) in the case of any limited partnership with a corporate general partner, the Board of Directors of the general partner of such person and (iv) in any other case, the functional equivalent of the foregoing.

"Book Value" means with respect to an Aircraft, (a) if such Aircraft or related Aircraft Owning Entity was purchased by AerCap not earlier than 45 days prior to its related Initial Advance Date or Additional Advance Date, as applicable, an amount equal to the cash purchase price of such Aircraft (or related Aircraft Owning Entity), or (b) if such Aircraft or Aircraft Owning Entity was purchased by AerCap more than 45 days prior to its related Initial Advance

Date or Additional Advance Date, as applicable, an amount equal to the net book value for such asset as such value would be carried on the records of AerCap Group, consistent with GAAP, at the time of the related Initial Advance Date or Additional Advance Date, as applicable.

"Borrower" has the meaning set forth in the Preamble.

"Borrower Acquisition" has the meaning set forth in Section 10.30(a).

"Borrower Acquisition Documents" means, in respect of any Funded Aircraft, the documents executed in connection with a Borrower Acquisition thereof, including without limitation, any related Aircraft Acquisition Document and the AerCap-Borrower Purchase Agreement.

"Borrower Collateral" has the meaning set forth for the term "Collateral" as defined in the Security Trust Agreement.

"Borrower Expenses" means, for purposes of the use of such term in the Flow of Funds, Aircraft Asset Expenses, Operating

Expenses and Related Expenses; provided that Borrower Expenses as used in the Flow of Funds shall not include (a) Borrower Income Tax Expenses (to the extent a separate allocation is provided therefor in the Flow of Funds), (b) expenses that have been or are properly payable or reimbursable with funds withdrawn from the Maintenance Reserve Account or the Security Deposit Account, or with the application of funds received from an insurance payment or other third party payment relating to casualty or condemnation (and in either such case such funds are actually available to the Borrower for such purposes and, for the avoidance of doubt, such expenses shall be Borrower Expenses to the extent such funds are not actually available to the Borrower for such purpose), (c) any expenses and costs attributable to Approved Asset Improvements, which costs (assuming satisfaction of all applicable conditions precedent and other requirements of this Agreement) could properly be the subject of reimbursement through an Improvement Advance, or (d) Overhead Expenses (as defined in the Servicing Agreement).

"Borrower Income Tax Expenses" means, for purposes of the use of such term in the Flow of Funds, Taxes based upon, attributable to or otherwise determinable by relation to income or net income of the Borrower or any Borrower Group Member.

"Borrower Funding Account" means an account (number 51948) in the name of the Borrower and maintained with the Account Bank.

"Borrower Group Member" means the Borrower or a Borrower Subsidiary.

"Borrower's Portfolio" means, when used with respect to Aircraft, all Aircraft then Owned directly or indirectly by any Borrower Group Member or Owner Trust.

"Borrower Subsidiary" means any direct or indirect Subsidiary of the Borrower (including, without limitation, any Holdco Subsidiary), each of which shall be reasonably satisfactory to the Administrative Agent, including, without limitation, any Aircraft Owning Entity, any Owner Participant, and any Applicable Intermediary.

"Borrowing Base" means any of the Class A Borrowing Base or the Class B Borrowing Base, as applicable.

"Borrowing Base Deficiency" means any of a Class A Borrowing Base Deficiency or Class B Borrowing Base Deficiency.

"Business Day" means any day on which commercial banks in New York, New York or Amsterdam, The Netherlands are not authorized or required to be closed, and in the case of the use of such term in connection with Advances bearing or to bear interest based on the Eurodollar Rate, on which dealings are carried on in the London interbank eurodollar market.

"Cape Town Convention" means, collectively, the official English language texts of the Convention on International Interests in Mobile Equipment and the protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment, adopted on 16 November 2001, at a diplomatic conference in Cape Town, South Africa.

"Cash Management Agreement" means the Cash Management Agreement, dated as of April 26, 2006, among the Cash Manager, the Collateral Agent, the Borrower, the Aircraft Owning Entities, the Owner Participants, the Applicable Intermediaries and the Administrative Agent, substantially in the form of Exhibit F hereto, as the same may be amended, modified and/or restated from time to time pursuant to the terms thereof.

"Cash Manager" has the meaning set forth in the Preamble.

"Category" means any of the categories designated "1", "2" or "3" listed next to the Types of Aircraft set forth on Table 1 of Appendix I hereto. "Category 1 Aircraft", "Category 2 Aircraft" and "Category 3 Aircraft" each have a correlative meaning.

"Category 1 Percentage" means, as of any date of determination, the percentage represented by the quotient of the Adjusted Borrowing Value of Funded Aircraft constituting Category 1 Aircraft as of such date, divided by the aggregate Adjusted Borrowing Value of all Funded Aircraft as of such date.

"Chattel Paper Original" means, when used in the provisions of Article VII in connection with delivery requirements and in related provisions in Article X, that the applicable original Lease and any related lease amendment or supplement being delivered shall have been designated the sole original copy thereof by the applicable Lessor (1) adding substantially the following language to the cover page of such Lease: "To the extent, if any, that this Lease Agreement or any lease amendment or supplement hereunder constitutes chattel paper (as such term is defined in the Uniform Commercial Code as in effect in any applicable jurisdiction), this copy shall constitute the sole original thereof and no security interest in this Lease Agreement or lease amendment or supplement may be created through the transfer or possession of any counterpart other than this counterpart"; and (2) marking each other original executed counterpart of such Lease Agreement or lease amendment or supplement in its possession with the words "DUPLICATE ORIGINAL."

"Class A Advance Rate" means, for each Aircraft of a particular Type as of any date of determination, the applicable Base Advance Rate (whether before or after Critical Mass exists), as adjusted by each applicable Advance Rate Adjustment.

"Class A Advances" has the meaning set forth in Section 2.1(d).

"Class A Advances Limit" means $830,000,000.

"Class A Borrowing Base" means, as of any date of determination, the amount equal to (a) the aggregate sum of the products of (x) the applicable Class A Advance Rate for each Aircraft then in the Borrower's Portfolio, and (y) the Adjusted Borrowing Value of such Aircraft as of such date, plus (b) the portion allocable to Class A Advances, of unreleased Advance proceeds held in the Borrower Funding Account pending release to the Borrower during the Holding Period, or repayment to the Lenders immediately following the Holding Period.

"Class A Borrowing Base Deficiency" means, as of any Payment Date, the amount by which the Outstanding Class A Principal Amount on such Payment Date exceeds the Class A Borrowing Base on such Payment Date.

"Class A Commitment Fee" has the meaning set forth in the Fee Letter.

"Class A Funding Agent" means the UBS Funding Agent and each Other Funding Agent of an Other Funding Group funding Class A Advances hereunder.

"Class A Funding Group" means the UBS Funding Group and each Other Funding Group funding Class A Advances hereunder.

"Class A Funding Group Limit" means the sum of the UBS Funding Group Limit and each Other Funding Group Limit of a Funding Group funding Class A Advances.

"Class A Lenders" has the meaning set forth in the Preamble.

"Class A Majority Lenders" means, at any time, Class A Lenders which have advanced more than 50% of the Outstanding Class A Principal Amount.

"Class A Scheduled Principal Payments" has the meaning set forth in Section 8.1(e).

"Class B Advance Rate" means, for each Aircraft of a particular Type as of any date of determination, the applicable Base Advance Rate (whether before or after Critical Mass exists), as adjusted by each applicable Advance Rate Adjustment.

"Class B Advances" has the meaning set forth in Section 2.1(e).

"Class B Advances Limit" means $170,000,000.

"Class B Borrowing Base" means, as of any date of determination, the amount equal to (a) the aggregate sum of the products of (x) the applicable Class B Advance Rate for each Aircraft then in the Borrower's Portfolio, and (y) the Adjusted Borrowing Value of such Aircraft

as of such date, plus (b) the amount on deposit in the Liquidity Reserve Account as of such date, after taking into account any funds proposed to be released therefrom on such date of determination (and, with respect to determinations of the Class B Borrowing Base as of any date that a Class B Advance is being made hereunder, giving effect to any amounts to be deposited into such Liquidity Reserve Account funded with the proceeds of Class B Advances on such date), plus (c) the portion allocable to Class B Advances, of unreleased Advance proceeds held in the Borrower Funding Account pending release to the Borrower during the Holding Period, or repayment to the Lenders immediately following the Holding Period.

"Class B Borrowing Base Deficiency" means, as of any Payment Date, the amount by which the Outstanding Class B Principal Amount on such Payment Date exceeds the Class B Borrowing Base less the Class A Borrowing Base on such Payment Date.

"Class B Commitment Fee" has the meaning set forth in the Fee Letter.

"Class B Funding Agent" means the UBS Funding Agent and each Other Funding Agent of an Other Funding Group funding Class B Advances hereunder.

"Class B Funding Group" means the UBS Funding Group and each Other Funding Group funding Class B Advances hereunder.

"Class B Funding Group Limit" means the sum of the UBS Funding Group Limit with respect to Class B Advances and each Other Funding Group Limit of a Funding Group funding Class B Advances.

"Class B Lenders" has the meaning set forth in the Preamble.

"Class B Majority Lenders" means at any time Class B Lenders who advanced more than 50% of the Outstanding Class B Principal Amount.

"Class B Scheduled Principal Payments" has the meaning set forth in Section 8.1(e).

"Class Majority Lenders" means, at any time, Class A Lenders and Class B Lenders, taken as a whole, which have advanced

more than 50% of the sum of (i) the Outstanding Class A Principal Amount and (ii) the Outstanding Class B Principal Amount.

"Closing Date" means May 8, 2007.

"Closing Date ABS Transaction" has the meaning set forth in the Preamble.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated thereunder. Section references to the Code are to the Code as in effect at the date of this Agreement and any subsequent provisions of the Code amendatory thereof, supplemental thereto or substituted therefor.

"Collateral" has the meaning set forth in the Security Trust Agreement.

"Collateral Agent" means, for purposes of this Agreement and the other Transaction Documents and any related agreements or instruments, Deutsche Bank Trust Company Americas in its capacity as collateral agent under the Security Trust Agreement, together with any of its permitted successors and assigns.

"Collateral Agent Fees and Expenses" means the fees and expenses payable to the Collateral Agent and Account Bank pursuant to this Agreement or the Security Trust Agreement together with any other fees, payments and amounts owed to the Collateral Agent or the Account Bank under the Security Trust Agreement or this Agreement, including, without limitation, amounts payable pursuant to any indemnification provisions thereunder

"Collection Account" means the Collection Trust Account together with the Collection DDA Account (it being understood that any provision herein providing for or requiring a deposit of funds to the Collection Account shall be deemed to refer to a deposit to the Collection DDA Account, with all amounts on deposit in the Collection DDA Account to be automatically transferred on a daily basis to the Collection Trust Account).

"Collection DDA Account" means an account (number 01-474-339) in the name of the Borrower and maintained with the Account Bank.

"Collection Trust Account" means an account (number 51944) in the name of the Borrower and maintained with the Account Bank.

"Collections" means (i) any and all rent or lease payments, fees, and other income or payments in respect of any and all Aircraft due or collected under the Leases of such Aircraft excluding Maintenance Reserve payments and Security Deposit payments made by the applicable lessees, (ii) any and all proceeds from the sale, transfer, assignment or other disposition of any Aircraft, (iii) the portion of Security Deposits applied against rent or lease payments, (iv) any and all payments received by the Borrower as indemnification payments in respect of (A) any Aircraft Assets or (B) any Aircraft Owning Entity, Owner Participant or other Borrower Subsidiary, pursuant to the AerCap-Borrower Purchase Agreement, an Aircraft Acquisition Document or otherwise, (v) any proceeds from any guarantees, letters of credit or similar arrangements related to any and all Leases with respect to any and all Aircraft supporting the obligations described in clauses (i) through (iv) above, (vi) payments received by the Borrower under any Hedge Agreement, (vii) the amount of any Servicer Advances funded by the Servicer into the Collection Account, and (viii) any proceeds from any insurance (other than liability insurance) with respect to any and all Aircraft; provided, that Collections shall not include any Excluded Payments.

"Communications" has the meaning set forth in Section 17.3(c).

"Conduit Lender" means any Other Conduit.

"Contingent Policy" means (i) the insurance policy MK 51244 provided by Willis Limited for the benefit of the Borrower as in effect on the Original Closing Date, in the form provided and certified as a true and correct copy by the Borrower to the Administrative Agent for review prior to the Original Closing Date, with such amendments, addendums, endorsements,

extensions or replacements as may have been entered into consistent with the provisions of Section 10.34 hereof, or (ii) one or more aviation hull, liability and/or other insurance policies in replacement of the foregoing as the Administrative Agent shall have reasonably approved.

"Contingent Liabilities" means, with respect to any Person, (a) any agreement, undertaking or arrangement by which such Person guarantees, endorses or otherwise becomes or is contingently liable upon (by direct or indirect agreement, contingent or otherwise, to provide funds for payment, to supply funds to, or otherwise to invest in, a debtor, or otherwise to assure a creditor against loss) the indebtedness, obligation or any other liability of any other Person (other than by endorsements of instruments in the course of collection), or guarantees the payment of dividends or other distributions upon the shares of any other Person (the amount of obligation under any Contingent Liabilities shall be deemed to be the maximum outstanding amount of the debt, obligation or other liability guaranteed) and/or (b) liabilities that are contingent in nature which would be included as liabilities on the face of the balance sheet of such Person in accordance with GAAP.

"Control" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities, by contract or otherwise, and the terms "Controlling" and "Controlled" and "Controlled by" shall have meanings correlative thereto.

"Conversion Date" means the first Business Day that is on or after the third anniversary of the Closing Date; provided, that if an Event of Default or an Early Amortization Event occurs prior to the then scheduled Conversion Date, the Conversion Date shall be accelerated to the date on which such Event of Default or Early Amortization Event shall occur.

"Country/Region Concentration" means, for Aircraft within the Borrower's Portfolio that are subject to a Lease, and for any date of determination, the Facility Limit Percentage of all Aircraft in the Borrower's Portfolio that are under Lease to a Lessee within a specified Lessee Location (or an Affiliate thereof).

"Country/Region Concentration Limits" means, for Aircraft within the Borrower's Portfolio which are subject to a Lease, the percentage assigned for each particular category of Lessee Location as set forth in the table on Appendix I hereto headed "Geographical Diversification".

"Credit Documents" means this Credit Agreement, any Notes, the Fee Letter, the AerCap-Borrower Purchase Agreement, the Deed of Tax Indemnity, each Service Provider Agreement, the Indemnification Agreement, the Purchase Agreement Guaranty, the Security Trust Agreement, the Irish Pledges, the Syndication Cooperation Agreement, the Pledge of Borrower Equity, the Expenses Apportionment Agreement, and any Hedge Agreement.

"Credit Parties" has the meaning set forth in Section 17.4.

"Critical Mass" means as of any date of determination, the existence of an Outstanding Principal Amount that is secured by not less than $300,000,000 in Adjusted Borrowing Value of Funded Aircraft in the Borrower's Portfolio as of such date.

"Critical Mass Advance Rate Adjustment" means any change within the Base Advance Rates set forth on Table 2 of Appendix I hereto, that occurs as a result of the existence of Critical Mass, as noted in the Advance Rate columns set forth within such Table 2 by the designations "before Critical Mass" and "after Critical Mass".

"Critical Mass Event Advance" means an Additional Advance following the initial existence of Critical Mass, not constituting an Improvement Advance or for the purpose of financing the acquisition of an Additional Aircraft into the Borrower's Portfolio, but utilizing any increase in availability of Advances due to an increase in Adjusted Borrowing Values attributable to a Critical Mass Advance Rate Adjustment.

"Current Market Value" means, with respect to an Aircraft and in connection with the definitions of Initial Current Market Value Appraisal and Improvement Current Market Value Appraisal herein, the amount, expressed in terms of currency, that may reasonably be expected for property exchanged between a willing buyer and a willing seller with equity to both, neither under any compulsion to buy or sell and both fully aware of all relevant, reasonably ascertainable facts.

"Deed of Tax Indemnity" means the Deed, dated 26 April 2006, between AerCap and the Borrower, relating to the AerCap-Borrower Purchase Agreement.

"Default" means any event that, if it continues uncured, will, with lapse of time or the giving of notice or both, constitute an Event of Default.

"Default Rate" means, with respect to any Advance (or portion thereof) on any date of determination, a rate per annum equal to the Lender Rate that would otherwise be in effect with respect to such Advance as of such date of determination plus 2%.

"Determination Date" means, with respect to any Payment Date, the third Business Day immediately preceding such Payment Date.

"Dollar(s)" and the sign "$" mean lawful money of the United States of America.

"Early Amortization Event" means any of the following events:

(a) the occurrence of a Servicer Termination Event; or

(b) any Borrowing Base Deficiency exists as of any Payment Date and is not cured with a payment by the Borrower within five Business Days of such Payment Date.

"Effectively Bonded" means, when such term is used in connection with a judgment or order for the payment of money, that (A) (x) the amount of such judgment or order is covered by a valid and binding policy of insurance between the defendant and the insurer covering payment thereof and (y) such insurer, which shall be rated at least "A" by A.M. Best Company or any similar successor entity, has been notified of, and has not disputed the claim made for payment of, the amount of such judgment or order, or (B) cash collateral has been posted, in a manner

reasonably satisfactory to the Administrative Agent, in an amount sufficient to discharge the applicable judgment or Lien.

"Eligible Aircraft" means any Aircraft that satisfies each of the following requirements:

(a) (i) such Aircraft (immediately after giving effect to the related purchase by a Borrower Group Member pursuant to the AerCap-Borrower Purchase Agreement and thereafter) is Owned by an Aircraft Owning Entity (or, in the case of the ANA Aircraft, Tateha), (ii) such Ownership is free and clear of any Adverse Claim, and (iii) the Equity Interest with respect to the Aircraft Owning Entity that owns such Aircraft (immediately after giving effect to the related purchase by the Borrower under the AerCap-Borrower Purchase Agreement and thereafter) is owned, directly or indirectly, by the Borrower free and clear of any Adverse Claim;

(b) such Aircraft is of a Type set forth on Table 1 to Appendix I hereto;

(c) such Aircraft (i) if under Lease, is the subject of an Eligible Lease or (ii) if not the subject of an Eligible Lease, is being (or, after acquisition of such Aircraft by a Borrower Group Member, will be) serviced and managed, including as to efforts to currently, or eventually after completion of any applicable maintenance and/or improvements, market such Aircraft for placement under an Eligible Lease, in each case in accordance with the requirements of the Servicing Agreement;

(d) such Aircraft is covered by (A) all of the insurance required to be provided by the lessee thereof described on Schedule 2.02(a) to the Servicing Agreement or (B) if such Aircraft is not the subject of an effective Lease, or the lessee with respect to such Aircraft has failed to maintain the insurance described on Schedule 2.02(a) to the Servicing Agreement with respect to such Aircraft (provided that the Servicer is taking all actions necessary under the Servicer Standard of Performance in connection with such lessee's failure to obtain such insurance), the Contingent Policy; and the Administrative Agent has received with respect to such Aircraft, certificates of insurance from qualified brokers of aircraft insurance or other evidence reasonably satisfactory to the Administrative Agent, evidencing all such insurance, in each case, together with all endorsements required under the Transaction Documents and/or the applicable Notice and Acknowledgment;

(e) neither the Aircraft Owning Entity, nor, if applicable, the Owner Participant, the Applicable Intermediary or the Owner Trustee, with respect to such Aircraft is organized under the laws of, or domiciled in, any Prohibited Country, nor is the Aircraft registered in any Prohibited Country;

(f) the Collateral Agent (on behalf of the Administrative Agent, the Funding Agents and the Lenders) has a duly perfected, first priority Lien and security interest on (i) the Lease relating to such Aircraft, as applicable and (ii) the Equity Interests of the Aircraft Owning Entity which Owns such Aircraft and, if applicable, the Owner Participant with respect to such Aircraft;

(g) the Administrative Agent has received each of an Initial Base Value Appraisal and an Initial Current Market Value Appraisal with respect to such Aircraft;

(h) no Event of Loss has occurred with respect to such Aircraft; and

(i) at the time of its addition to the Borrower's Portfolio as a Funded Aircraft, its Aircraft Age does not exceed the Aircraft Age Limit for Aircraft of that Type.

In addition, (A) if the provisions of clause (b)(2) of the definition of Approved Country List apply to a country, an Aircraft otherwise constituting an Eligible Aircraft under this definition that is registered in such country, or leased by a Lessee organized under the laws of or domiciled in such country, shall cease to be an Eligible Aircraft if the Borrower fails to maintain the Required Coverage Amount for such country as contemplated in Section 10.34(d) and such failure is not remedied within 30 days, and (B) the ANA Aircraft shall cease to be an Eligible Aircraft if Tateha receives a conveyance of or acquires any additional aircraft following the Closing Date, unless the Administrative Agent shall have otherwise consented in its sole discretion.

"Eligible Assignee" has the meaning assigned such term in Section 15.1.

"Eligible Carrier" means any air carrier

(a) that is duly licensed to carry passengers or cargo (as such may be contemplated under the Lease related to the applicable Aircraft) under all Requirements of Law, whether foreign or domestic,

(b) that is not organized under the laws of, or domiciled in, any Prohibited Country,

(c) that is organized under the laws of or domiciled in a country or jurisdiction whose laws provide for (x) the recognition of the rights of the relevant Aircraft Owning Entity (and any relevant Applicable Intermediary), as owner and lessor of such Aircraft, and (y) the entitlement or ability of such Aircraft Owning Entity (and any relevant Applicable Intermediary) to recover possession of such Aircraft in accordance with the terms of such Lease, and

(d) that, on the date that the Aircraft becomes a Funded Aircraft within the Borrower's Portfolio under Lease to such air carrier or, if later, on the date that the Lease of the Aircraft to such air carrier commences, has had no continuing Event of Bankruptcy occur with respect to such air carrier unless (i) in the case of a Lease to a carrier domiciled in or organized under the laws of the United States, each Aircraft Owning Entity leasing any Aircraft to such air carrier is entitled, pursuant to an order of the relevant bankruptcy court or under the relevant bankruptcy or insolvency law, to enforce such Aircraft Owning Entity's rights against such air carrier, including, without limitation, the right to require the performance of such air carrier's obligations under such Lease or the return of such Aircraft during such air carrier's bankruptcy or insolvency, and (ii) in the case of a Lease to a carrier domiciled in or organized under the

laws of a jurisdiction other than the United States, either (x) the Servicer has received, and found satisfactory, legal advice from Local Aircraft Counsel to the effect that the country in which such air carrier is organized has laws, with respect to bankruptcy, insolvency, protection of creditors, administration of receivership or reorganization applicable to such air carrier that provide for the entitlement or ability of such Aircraft Owning Entity (and any relevant Applicable Intermediary) to recover possession of such Aircraft in accordance with the terms of such Lease irrespective of such Event of Bankruptcy, or (y) the Administrative Agent has otherwise approved the entering into of such Lease.

"Eligible Counterparty" means, in respect of any Hedge Agreement with the Borrower, a counterparty that, at the time of execution and delivery of the related Hedge Agreement, (a) has a long term unsecured debt rating of at least A from Standard & Poor's or A2 from Moody's, and has a short-term unsecured debt rating of a least A-1 from Standard & Poor's or "P-1" from Moody's, or (b) has otherwise been approved by the Borrower and the Lenders.

"Eligible Hedge Agreement" means an ISDA interest rate swap or cap agreement, collar or other interest rate hedging instrument between the Borrower and the Eligible Counterparty named therein, including any schedules and confirmations prepared and delivered in connection therewith, pursuant to which the Borrower will receive payments from, or make payments to, the Eligible Counterparty as provided therein, and which (a) limits recourse by the Eligible Counterparty to the Borrower, to distributions in accordance with the Flow of Funds, (b) provides that the counterparty on such Hedge Agreement provide collateral for its obligations upon a downgrade of its credit rating, and (c) is otherwise consistent with the requirements of Section 10.32 hereof.

"Eligible Intermediary" means, with respect to any Aircraft, a Person that is a direct or indirect, wholly-owned subsidiary of the Borrower.

"Eligible Investments" means book-entry securities entered on the books of the registrar of such securities and held in the name or on behalf of the Account Bank, negotiable instruments, or securities represented by instruments in bearer or registered form (registered in the name of the Account Bank or its nominee) which evidence:

(a) readily marketable direct obligations of the Government of the United States or any agency or instrumentality thereof or obligations unconditionally guaranteed by the full faith and credit of the United States;

(b) insured demand deposits, time deposits or certificates of deposit of any commercial bank that (i) is a member of the Federal Reserve System, (ii) issues (or the parent of which issues) commercial paper rated, at the time of the investment or contractual commitment to invest therein, as described in clause (d), (iii) is organized under the laws of the United States or any state thereof and (iv) has combined capital and surplus of at least $500,000,000;

(c) money market deposit accounts, time deposits or savings deposits, in each case as defined by Regulation D of the Board of Governors of the Federal Reserve

System and issued or offered by any domestic office of any commercial bank organized under the laws of the United States of America or any state thereof, which institution has a combined capital and surplus and undivided profits of not less than $250,000,000;

(d) repurchase obligations with a term of not more than ten days for underlying securities of the types described in clauses (a) and (b) above entered into with any bank of the type described in clause (b) above;

(e) commercial paper having, at the time of the investment or contractual commitment to invest therein, a short-term rating of at least A-1/P-1 from Standard & Poor's and Moody's, respectively;

(f) investments in no-load money market funds having a rating from each of Standard & Poor's and Moody's in its highest investment category (including such funds for which the Account Bank or any of its affiliates is investment manager or advisor); or

(g) other securities or instruments approved in writing by the Administrative Agent.

"Eligible Lease" means a fully-executed, valid and enforceable Lease of an Eligible Aircraft, between an Aircraft Owning Entity that Owns such Aircraft or any Applicable Intermediary, as Lessor, and an Eligible Carrier, as Lessee, which Lease satisfies each of the

following requirements (unless the Administrative Agent otherwise consents in writing):

(a) no prepayment shall have been made under such Lease, and no Lease payment obligation shall have been accelerated, provided that it is understood that a scheduled rental payment that is paid at the beginning of a rental period in accordance with the applicable Lease terms is not deemed to be a prepayment;

(b) the Administrative Agent shall have received a Notice and Acknowledgment executed by the Lessee with respect to such Lease;

(c) rent or lease payments under such Lease are payable no less frequently than semiannually;

(d) all monetary obligations of the Lessee pursuant to such Lease are payable solely in Dollars or Euros (and with respect to Euros, subject to the restrictions of Section 10.32), and, in the case of such obligations payable in Euros, a currency hedge agreement reasonably satisfactory to the Administrative Agent is in effect with respect to payments to be made under such Leases;

(e) the Lessee has delivered to the Lessor formal notice of such Lessee's acceptance of the relevant Aircraft executed at the time the term of such Lease commenced;

(f) with respect to any Security Deposit or Maintenance Reserve required of the Lessee under the Lease, if the Lease provides for the Lessee to procure a letter of

credit in lieu of cash funding of such amounts, any such letter of credit that the Lessee has procured names the Borrower and/or the applicable Aircraft Owning Entity as beneficiary;

(g) the insurance required to be maintained by the Lessee under the terms of such Lease together with the insurance maintained under the Contingent Policy and any other insurance maintained by a Borrower Group Member shall provide coverages, limits and other terms with respect to the Aircraft that are in every respect the same in substance as, or more favorable to the Administrative Agent and the Lenders than, the applicable provisions of Annex 1 of the Servicing Agreement;

(h) such Lease contains:

(i) provisions requiring the Lessee not to create any Lien in respect of such Aircraft or any part thereof except for permitted liens consistent with Leasing Company Practice, including Liens not affecting the applicable Aircraft Owning Entity's Ownership interest in such Aircraft or the use or operation of the Aircraft arising in the ordinary course of such Lessee's business;

(ii) provisions prohibiting the Lessee from flying or locating such Aircraft in any country in violation of applicable Requirements of Law or any insurance coverage required to be maintained by the Lessee;

(iii) representations and warranties as to, without limitation, the due execution of such Lease by the Lessee and the validity of the Lessee's obligations thereunder, due authorization of such Lease and procurement of relevant licenses and permits in connection therewith (or a legal opinion confirming such matters has been delivered to the relevant Lessor on behalf of the Lessee);

(iv) provisions stipulating that such Lease will terminate (or such Lease is capable of being terminated) upon the occurrence of an Event of Loss with respect to such Aircraft (other than with respect to an engine) and the satisfaction of the Lessee's obligations thereunder;

(v) provisions setting forth the conditions under which the Lessor may terminate such Lease and repossess the relevant Aircraft, at any time after the expiration of any agreed grace period or remedy period, in each case consistent with Leasing Company Practice;

(vi) provisions prohibiting the assignment by the Lessee of any benefits or obligations under the Lease to any Person, except (A) in the case of a merger, consolidation or transfer of all or substantially all assets by the Lessee, provided the successor assumes all of the Lessee's obligations under the Lease, or (B) otherwise consistent with Leasing Company Practice (*provided*, that in respect of any assignment under this clause (B) exception that involves an assumption of the existing Lessee's obligations and a corresponding release of the Lessee therefrom, the assuming lessee must be an Eligible Carrier);

(vii) provisions acknowledging that when the Lessee gives formal notice of acceptance of the relevant Aircraft, it takes delivery of such Aircraft with no condition, warranty or representation of any kind having been given by or on behalf of the Lessor in respect of such Aircraft, except as to matters expressly set forth in such Lease;

(viii) provisions stating that payments are to be made by the Lessee without set-off, counterclaim,

withholding or any similar reduction, in each case with exceptions consistent with Leasing Company Practice;

(ix) provisions requiring the Lessee to maintain the relevant Aircraft in accordance with and pursuant to applicable governmental and regulatory requirements, and consistent with Leasing Company Practice;

(x) provisions permitting the Lessee to sublease the Aircraft only if the Lessee remains obligated to make payments on such Lease, except as permitted under specific conditions included in a Precedent Lease or with respect to specific classes of sublessees agreed by the applicable Lessor consistent with Leasing Company Practice (and *provided*, that in respect of any sublease under this exception, the sublessee must be an Eligible Carrier);

(xi) provisions prohibiting the Lessee from selling the Aircraft except upon exercise of a purchase option, any which purchase option must be a Qualifying Purchase Option as of the applicable Advance Date;

(xii) provisions making the Lessee's obligation to make rental payments absolute and unconditional under any and all circumstances and regardless of the occurrence of any events, with only such exceptions as are consistent with Leasing Company Practice;

(xiii) provisions requiring the Lessee to bear the cost of complying with all Lease covenants including those pertaining to operation, insurance, maintenance and return, except that the Lessor may agree in the Lease to a formula for sharing the cost of compliance with airworthiness directives and manufacturer service bulletins, and to other concessions in respect of such costs, in each case consistent with Leasing Company Practice;

(xiv) provisions requiring the Lessee to maintain insurance with respect to the Aircraft, consistent with Leasing Company Practice; and

(xv) provisions requiring the Lessee to redeliver the Aircraft, including, if applicable, replacement engines and parts, on expiry or termination of the Lease (other than any expiration or termination coincident with the purchase of the Aircraft pursuant to the exercise of a purchase option by the Lessee), specifying the required return condition and any obligation of the Lessee to remedy or compensate the Aircraft Owning Entity that is the Lessor thereunder, directly or indirectly, for any material deviations from such return condition, in each case

considering the other terms of the relevant Lease and to the extent consistent with Leasing Company Practice;

provided, however, that "Eligible Lease" also means, individually and collectively, (x) a fully-executed lease by an Aircraft Owning Entity (as Lessor) to an Applicable Intermediary (as Lessee) of an Aircraft, which Lease satisfies each of the requirements for an "Eligible Lease" set forth in clauses (a) through (h) above except that the Lessee is not an Eligible Carrier, and (y) a fully-executed sublease by such Applicable Intermediary (as sublessor) to an Eligible Carrier (as sublessee) of such Aircraft, and which sublease satisfies all the requirements for an "Eligible Lease" set forth in clauses (a) through (h) above, except that the sublessor is such Applicable Intermediary and the Eligible Carrier is a sublessee.

In addition, if any Lessee of an Aircraft otherwise constituting an Eligible Lease under this definition shall be in violation of any Anti-Terrorism Laws, including the Executive Order and the Patriot Act, such Lease shall cease to be an Eligible Lease due to such status of the Lessee until such violation is cured or the relevant Lease is otherwise terminated.

"Eligible Service Provider" means any member of the AerCap Group or another Person which, at the time of its appointment as a Service Provider, (i) is servicing a portfolio of aircraft leases, (ii) is legally qualified and has the capacity to service the Aircraft and the Leases, (iii) has demonstrated the ability professionally and competently to service a portfolio of aircraft leases similar to the Leases with reasonable skill and care, (iv) is qualified and entitled to use, pursuant to a license or other written agreement, and agrees to maintain the confidentiality of, the software which the applicable Service Provider uses in connection with performing its duties and responsibilities under this Agreement and the applicable Service Provider Agreement or otherwise has available software which is adequate in the judgment of the Administrative Agent to perform its duties and responsibilities under this Agreement and the applicable Service Provider Agreement and (v) is otherwise satisfactory to the Administrative Agent.

"Employee Benefit Plan" means, with respect to any Person, any employee benefit plan within the meaning of Section 3(3) of ERISA which (i) is maintained for employees of a Person or any of its ERISA Affiliates or is assumed by such Person or any of its ERISA Affiliates in connection with any acquisition or (ii) has at any time been maintained for the employees of such Person or any current or former ERISA Affiliate.

"Embargoed Person" has the meaning set forth in Section 10.36.

"Environmental Laws" means any federal, state, local or foreign statute, law, ordinance, code, rule, regulation, order, decree, permit or license regulating, relating to, or imposing liability or standards of conduct concerning, any environmental matters or conditions, environmental protection or conservation, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended; the Superfund Amendments and Reauthorization Act of 1986, as amended; the Resource Conservation and Recovery Act, as amended; the Toxic Substances Control Act, as amended; the Clean Air Act, as amended; the Clean Water Act, as amended; together with all regulations promulgated thereunder, and any other "Superfund" or "Superlien" law.

"Equity Interest" means, with respect to any Person, all of the issued and outstanding shares, interests or other equivalents of capital stock of such Person, whether voting or non-voting and whether common or preferred, all partnership, joint venture, limited liability company, beneficial interests in a trust (statutory or common law) or other equity interests in or other indicia of ownership of such Person, all options, warrants and other rights to acquire, and all securities convertible into, any of the foregoing, all rights to receive interest, income, dividends, distributions, returns of capital and other amounts of such Person (whether in cash, securities, property, or a combination thereof), and all additional stock, warrants, options, securities, interests and other property of such Person, from time to time paid or payable or distributed or distributable in respect of any of the foregoing, including all rights to receive amounts due and to become due under or in respect of any Investment Agreement or upon the termination thereof, all rights of access to the books and records of any such Person, and all other rights, powers, privileges, interests, claims and other property in any manner arising out of or relating to any of the foregoing, of whatever kind or character (including any tangible or intangible property or interests therein), and whether provided by contract or granted or available under applicable law in connection therewith, including the right to vote and to manage and administer the business of any such Person pursuant to any applicable Investment Agreement, together with all certificates, instruments and entries upon the books of financial intermediaries at any time evidencing any of the foregoing, in each case whether now owned or existing or hereafter acquired or arising.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"ERISA Affiliate", as applied to any Person, means any other Person or trade or business which is a member of a group which is under common control with such Person, who together with such Person, is treated as a single employer within the meaning of Section 414(b) and (c) of the Internal Revenue Code.

"Euro" means the basic unit of currency among participating European Union countries.

"Eurocurrency Liabilities" has the meaning assigned to that term in Regulation D of the Board of Governors of the Federal Reserve System, as in effect from time to time.

"Eurodollar Rate" means, with respect to any Advance made by a Lender or any assignee of either, a rate per annum equal to:

(i) for any Interest Period commencing on a date other than a Payment Date as contemplated in the definition of Interest Period (*i.e.* that is a period of less than one month), the rate per annum determined by the Administrative Agent to be the average of the rates for one-month deposits in Dollars, as in effect on each Business Day during such Interest Period, which rate in each case is determined on each applicable date by the Administrative Agent by reference to the British Bankers' Association LIBOR Rates on Bloomberg (or such other service or services as may be nominated by the British Bankers' Association for the purpose of displaying London interbank offered rates for U.S. dollar deposits) on such date (or, if such date is not a Business Day, on the immediately preceding Business Day) at or about 11 a.m. New York City time; provided,

however, that if no rate appears on Bloomberg on any date of determination, Eurodollar Rate shall mean the rate for one-month deposits, in Dollars which appears on the Reuters Screen LIBOR01 Page on any such date of determination; provided, further, that if no such one-month deposit rate appears on either Bloomberg or such Reuters Screen LIBOR01 Page, on any such date of determination the Eurodollar Rate shall be determined as follows: the Eurodollar Rate will be determined at approximately 11:00 a.m., New York City time, on each day on the basis of (a) the arithmetic mean of the rates at which one-month deposits, as applicable, in Dollars are offered to prime banks in the London interbank market by four (4) major banks in the London interbank market selected by the Administrative Agent and in a principal amount of not less than $75,000,000 that is representative for a single transaction in such market at such time, if at least two (2) such quotations are provided, or (b) if fewer than two (2) quotations are provided as described in the preceding clause (a), the arithmetic mean of the rates, as requested by the Administrative Agent, quoted by three (3) major banks in New York City, selected by the Administrative Agent, at approximately 11:00 a.m., New York City time, on such day, of one-month deposits in Dollars to leading European banks and in a principal amount of not less than $75,000,000 that is representative for a single transaction in such market at such time; and

(ii) for any monthly Interest Period commencing on a Payment Date and concluding on but excluding the next succeeding Payment Date (as contemplated in the definition of Interest Period), an interest rate per annum determined by the Administrative Agent by reference to the British Bankers' Association Settlement Rates for deposits in U.S. dollars appearing on the display designated as Reuters Screen LIBOR01 Page (or any successor to or substitute for such service, as determined by the related Funding Agent from time to time for the purposes of providing quotations of interest rates applicable to deposits in U.S. dollars in the London interbank market) at approximately 11:00 A.M., London time, on the second Business Day before (and for value on) the first day of the Interest Period related to such Advance (*i.e.*, the Payment Date) as the rate for deposits with a maturity comparable to such Interest Period; provided, that if such rate is not available at such time for any reason, then the "Eurodollar Rate" shall be the rate at which deposits in U.S. dollars in a principal amount of not less than $1,000,000 and for a maturity comparable to such Interest Period are offered by the Administrative Agent in immediately available funds in the London interbank market at approximately 11:00 A.M. (London Time) on the second Business Day before (and for value on) the first day of such Interest Period.

"Eurodollar Rate Advances" has the meaning set forth in Section 6.1.

"Eurodollar Rate Reserve Percentage" of any Lender for any Interest Period in respect of which Yield is computed by reference

to the Eurodollar Rate means the reserve percentage applicable two (2) Business Days before the first day of such Interest Period under regulations issued from time to time by the Board of Governors of the Federal Reserve System (or any successor) (or if more than one such percentage shall be applicable, the daily average of such percentages for those days in such Interest Period during which any such percentage shall be so applicable) for determining the maximum reserve requirement (including, without limitation, any

emergency, supplemental or other marginal reserve requirement) for such Lender with respect to liabilities or assets consisting of or including Eurocurrency Liabilities (or with respect to any other category of liabilities that includes deposits by reference to which the yield rate on Eurocurrency Liabilities is determined) having a term equal to such Interest Period.

"Event of Bankruptcy" shall be deemed to have occurred with respect to a Person if either:

(a) a case or other proceeding shall be commenced, without the application or consent of such Person, in any court, seeking the liquidation, examination, reorganization, debt arrangement, dissolution, winding up, or composition or readjustment of all or substantially all of the debts of such Person, the appointment of a trustee, receiver, examiner, conservator, custodian, liquidator, assignee, sequestrator or the like for such Person or all or substantially all of its assets, or any similar action with respect to such Person under any law relating to bankruptcy, insolvency, reorganization, winding up or composition or adjustment of debts, and such case or proceeding shall continue undismissed, or unstayed and in effect, for a period of sixty (60) consecutive days; or an order for relief in respect of such Person shall be entered in an involuntary case under the federal bankruptcy laws or other similar laws now or hereafter in effect; or

(b) such Person shall commence a voluntary case or other proceeding under any applicable bankruptcy, insolvency, reorganization, debt arrangement, dissolution or other similar law now or hereafter in effect, or shall consent to the appointment of or taking possession by a receiver, examiner, conservator, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) for such Person or for any substantial part of its property, or shall make any general assignment for the benefit of creditors, or shall fail to, or admit in writing its inability to, pay its debts generally as they become due, or, if a corporation or other entity, its Board of Directors shall vote to implement any of the foregoing.

"Event of Default" has the meaning set forth in Section 13.1.

"Event of Loss" means with respect to any Aircraft (a) if the same is subject to a Lease, a "Total Loss," "Casualty Occurrence" or "Event of Loss" or the like (however so defined in the applicable Lease); or (b) if the same is not subject to a Lease, (i) its actual, constructive, compromised, arranged or agreed total loss, (ii) its destruction, damage beyond repair or being rendered permanently unfit for normal use for any reason whatsoever, (iii) requisition of title of such Aircraft, or its confiscation, restraint, detention, forfeiture or any compulsory acquisition or seizure or requisition for hire by or under the order of any government (whether civil, military or de facto) or public or local authority or (iv) its hijacking, theft or disappearance, resulting in loss of possession by the owner or operator thereof for a period of 30 consecutive days or longer. An Event of Loss with respect to any Aircraft shall be deemed to occur on the date on which such Event of Loss is deemed pursuant to the relevant Lease to have occurred or, if such Lease does not so deem or if the relevant Aircraft is not subject to a Lease, (A) in the case of an actual total loss or destruction, damage beyond repair or being rendered permanently unfit, the date on which such loss, destruction, damage or rendering occurs (or, if the date of loss or destruction is not known, the date on which the relevant Aircraft was last heard of); (B) in the case of a

constructive, compromised, arranged or agreed total loss, the earlier of (1) the date 30 days after the date on which notice claiming such total loss is issued to the insurers or brokers and (2) the date on which such loss is agreed or compromised by the insurers; (C) in the case of requisition of title, confiscation, restraint, detention, forfeiture, compulsory acquisition or seizure, the date on which the same takes effect; (D) in the case of a requisition for hire, the expiration of a period of 180 days from the date on which such requisition commenced (or, if earlier, the date upon which insurers make payment on the basis of such requisition); or (E) in the case of clause (iv) above, the final day of the period of 30 consecutive days referred to therein.

"Excluded Payments" has the meaning assigned to such term in the Security Trust Agreement.

"Executive Order" has the meaning set forth in Section 9.21.

"Expenses Apportionment Agreement" means the Loan, Expense Apportionment and Guarantee Agreement, dated as of April 26, 2006, among the borrower named therein, and the Borrower.

"FAA" means the United States Federal Aviation Administration.

"FAA Act" means 49 U.S.C. Subtitle VII, §§ 40101 et seq., as amended from time to time, any regulations promulgated thereunder and any successor provision.

"FAA Counsel" means a law firm having nationally recognized expertise in FAA matters that is reasonably satisfactory to the Administrative Agent, it being understood that as of the Closing Date, the firms of Debee, Gilchrist & Lidia, Daugherty, Fowler, Peregrin, Haught & Jensen, Crowe and Dunlevy, or McAfee & Taft, are each satisfactory to the Administrative Agent.

"Facility Limit" means $1,000,000,000.

"Facility Limit Percentage" means, with respect to any percentage determination relating to Aircraft Type Concentration Limits, Country/Region Concentration Limits or Widebody Maximum Percentage, and as of any date of determination, the percentage represented by the product of (a) the Class B Advance Rate applicable to Aircraft falling within the category being measured (and giving effect to all applicable Advance Rate Adjustments), times (b) the sum of the Adjusted Borrowing Values of all Aircraft falling within the category being measured, divided by (c) the amount of the Facility Limit.

"Facility Termination Date" means the earliest to occur of (i) the Stated Maturity Date or (ii) the date of the declaration, or automatic occurrence, of the Facility Termination Date pursuant to Section 13.2, and (iii) the date on which both of the following conditions exist: (A) the aggregate outstanding Advances and all other Obligations have been indefeasibly paid in full, and (B) the commitment of each Non-Conduit Lender to make any Advances hereunder shall have expired or been terminated.

"Federal Funds Rate" means, for any period, a fluctuating interest rate per annum equal for each day during such period to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for such day on such transactions received by the applicable Funding Agent from three Federal funds brokers of recognized standing selected by it.

"Fee Letter" has the meaning set forth in Section 3.4.

"Fees" means all fees and other amounts payable by the Borrower to the Administrative Agent under the Fee Letter.

"Financial Administrative Agent" has the meaning set forth in the Preamble.

"Fiscal Year" means a fiscal year for financial accounting purposes commencing on January 1 and ending on December 31.

"Fitch" means Fitch, Inc.

"Flow of Funds" means the cash flow allocation and distribution provisions set forth at Section 8.1(e) of this Agreement.

"Freighter Conversion" means the conversion of an Aircraft constituting a passenger Aircraft to one of the Freighter Types. For avoidance of doubt, an Aircraft that has been originally manufactured as a Freighter Type, is not considered to have been subjected to a Freighter Conversion, including for purposes of calculating its Applicable Useful Life.

"Freighter Conversion Effective Date" means, in respect of an Approved Aircraft Improvement constituting a Freighter Conversion, the date by which each of the following has occurred: (a) the completion of such Freighter Conversion, (b) the delivery of appropriate completion and/or airworthiness certificates associated therewith to the Administrative Agent, in form and substance acceptable thereto, and (c) the placing of such Aircraft back into service following such Freighter Conversion.

"Freighter Type" means any one of the Types of Aircraft designated as "B737-300F", "B737-400F", "B747-400F", "B757-200F", or "MD-11F" on Table 1 and Table 2 to Appendix I hereto.

"Funded Aircraft" means any Aircraft with respect to which Advances have been made hereunder.

"Funding Agent" means the UBS Funding Agent or an Other Funding Agent and any reference to a Funding Group's Funding Agent shall mean, with respect to the UBS Funding Group, the UBS Funding Agent, and with respect to an Other Funding Group, the related Other Funding Agent.

"Funding Group" means the UBS Funding Group or an Other Funding Group.

"Funding Group Limit" means the UBS Funding Group Limit, or an Other Funding Group Limit.

"Funding Group Majority Lenders" means, with respect to a particular Funding Group at any time, the Lenders in such Funding Group which have advanced more than 50% of the aggregate amount of all Advances which have been advanced by all Lenders in such Funding Group and remain outstanding at such time.

"Future Lease" means, with respect to each Aircraft, any Eligible Lease as may be in effect at any time after the date on which the initial Advance with respect to such Aircraft was made hereunder between a Borrower Group Member (as Lessor) and an Eligible Carrier (as Lessee), in each case other than any Initial Lease or Additional Lease.

"GAAP" means generally accepted accounting principles in the United States of America in effect from time to time.

"Government Entity" means: (a) any national government, political sub-division thereof, or local jurisdiction therein; (b) any instrumentality, board, commission, department, division, organ, court, exchange control authority, or agency of any thereof, however constituted; or (c) any association, organization, or institution of which any of the above is a member or to whose jurisdiction any thereof is subject or in whose activities any thereof is a participant.

"Hazardous Material" means and includes any pollutant, contaminant, or hazardous, toxic or dangerous waste, substance or material (including without limitation petroleum products, asbestos-containing materials and lead), the generation, handling, storage, transportation, disposal, treatment, release, discharge or emission of which is subject to any Environmental Law.

"Hedge Agreement" means one of the hedge agreements entered into by the Borrower pursuant to the terms of Section 10.32 hereof.

"Hedging Policy" has the meaning set forth in Section 10.32(a).

"Holdco Subsidiary" has the meaning set forth in the definition of Approved Restructuring.

"Holding Account Control Agreement" means a written agreement (in form and substance reasonably acceptable to the Administrative Agent) among the Collateral Agent, the Borrower and the London Account Bank or the Hong Kong Account Bank, as the case may be, which agreement (i) provides for a valid grant of a security interest in and/or pledge and/or charge of or over the subject London Holding Account or Hong Kong Holding Account, as applicable, under the laws stated to apply to such Account Control Agreement, (ii) allows for the receipt and deposit of funds therein representing Advance proceeds transferred from the Borrower Funding Account, (iii) allows for the timely disbursement of those proceeds pursuant to the direction of the Administrative Agent in connection with the Borrower's satisfaction of

conditions precedent to such releases hereunder applicable to the Borrower's acquisition, directly or indirectly, of one or more Additional Aircraft, and (iv) provides for the return of all proceeds not so disbursed at the end of the related Holding Period to the Borrower Funding Account.

"Holding Period" has the meaning set forth in Section 2.3(c)(i).

"Holding Period Release Request" has the meaning set forth in Section 2.3(c)(iv).

"Hong Kong Account Bank" means the commercial bank located in Hong Kong which has executed a Holding Account Control Agreement and which provides the Hong Kong Holding Account.

"Hong Kong Holding Account" means a deposit account, the subject of a Holding Account Control Agreement, established and maintained by the Borrower with the Hong Kong Account Bank.

"Improvement Advance" means an Additional Advance in respect of Approved Asset Improvement Costs (and, if applicable, the use of a portion of the related Class B Advance to increase the amounts in the Liquidity Reserve Account) rather than for the purpose of adding Additionally Financed Aircraft to the Borrower's Portfolio.

"Improvement Base Value Appraisal" means in connection with an Improvement Advance in respect of an Aircraft, the appraisal of the Base Value (adjusted for actual maintenance status) of such Aircraft from an Approved Appraiser, delivered after the completion of the related Approved Asset Improvement but not earlier than 45 days prior to the date of the related Improvement Advance.

"Improvement Current Market Value Appraisal " means in connection with an Improvement Advance in respect of an Aircraft, the appraisal of the Current Market Value (adjusted for actual maintenance status) of such Aircraft from an Approved Appraiser, delivered after the completion of the related Approved Asset Improvement but not earlier than 45 days prior to the date of the related Improvement Advance.

"Increased Availability Advance" means an Additional Advance following the initial existence of Critical Mass, not constituting an Improvement Advance or a Critical Mass Event Advance, and not for the purpose of financing the acquisition of an Additional Aircraft into the Borrower's Portfolio, but utilizing any increase in availability of Advances due to an increase in Adjusted Borrowing Values attributable to a change in an Advance Rate Adjustment.

"Indebtedness" of any Person means, without duplication:

(a) all obligations of such Person for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;

(b) all obligations, contingent or otherwise, relative to the face amount of all letters of credit, whether or not drawn, and banker's acceptances issued for the account of such Person;

(c) all obligations of such Person as lessee under leases that have been or should be, in accordance with GAAP, recorded as capitalized lease liabilities;

(d) all obligations of such Person to pay the deferred purchase price of property;

(e) all obligations secured by an Adverse Claim upon property or assets owned by such Person, even though such Person has not assumed or become liable for the payment of such obligations; and

(f) all Contingent Liabilities of such Person in respect of any of the foregoing.

"Indemnification Agreement" means the Indemnification Agreement dated as of November 6, 2006 by AerCap Holdings N.V. in favor of the Borrower, the Collateral Agent and the Administrative Agent, or any successor or replacement to such agreement contemplated by Section 12.1(f) hereof and the terms thereof.

"Indemnified Amounts" has the meaning set forth in Section 16.1.

"Indemnified Party" has the meaning set forth in Section 16.1.

"Indemnitor" means AerCap Holdings N.V., or any successor thereto as contemplated in the definition of Indemnification Agreement

"Individual Lessee Score" means, for purposes of determining Lessee Diversity Score and with respect to any particular Lessee of an Aircraft within the Borrower's Portfolio, the percentage represented by the quotient of one divided by the number of Aircraft in the Borrower's Portfolio under Lease to such Lessee (or any Affiliate thereof).

"Initial Advance Date" has the meaning set forth in Section 2.1(g)(i).

"Initial Advance Request" has the meaning set forth in Section 2.2(a).

"Initial Advances" has the meaning set forth in Section 2.1(b).

"Initial Base Value Appraisal" means with respect to any individual Aircraft, the appraisal of the Base Value (adjusted for actual maintenance status) of such Aircraft from an Approved Appraiser delivered not earlier than 45 days prior to the date of the initial Advance against such Aircraft.

"Initial Class A Advances" has the meaning set forth in Section 2.1(a).

"Initial Class A Borrowing Base" means an amount equal to Class A Borrowing Base, determined in respect of the Initial Financed Aircraft.

"Initial Class B Advances" has the meaning set forth in Section 2.1(b).

"Initial Class B Borrowing Base" means an amount equal to the Class B Borrowing Base determined in respect of the Initial Financed Aircraft.

"Initial Current Market Value Appraisal" means with respect to any individual Aircraft, the appraisal of the Current Market Value (adjusted for actual maintenance status) of such Aircraft from an Approved Appraiser delivered not earlier than 45 days prior to the date of the initial Advance against such Aircraft.

"Initial Financed Aircraft" means an Aircraft with respect to which an Advance is made on the Initial Advance Date and which is listed as an "Initial Financed Aircraft" on Schedule I hereto, as such schedule is required, pursuant to the terms hereof, to be amended, restated or otherwise modified from time to time.

"Initial Lease" means a Lease of an Initial Financed Aircraft which is listed as an "Initial Lease" on Schedule III hereto, as such schedule is required, pursuant to the terms hereof, to be amended, restated or otherwise modified from time to time.

"Initial Required Liquidity Reserve Amount" means, in respect of Advances against Aircraft occurring on the Initial Advance Date as referred to in Section 5.1(a)(i) hereof, an amount equal to 6% (or 4%, if Critical Mass will exist after giving effect to such initial Advances) of the Adjusted Borrowing Value of the Aircraft in the Borrower's Portfolio in respect of which such Advances are being made on such date.

"Insufficiency" has the meaning set forth in Section 5.1(d).

"Insurance Servicer" has the meaning set forth in the Preamble.

"Interest Period" means, as to any Advance (or portion thereof), the period commencing on the funding date of such Advance, and concluding on but excluding the next succeeding Payment Date, and each period thereafter commencing on a Payment Date and concluding on but excluding the next succeeding Payment Date; provided that:

(i) if any Interest Period for any Advance commencing before the Facility Termination Date would otherwise end on a date after the Facility Termination Date, such Interest Period shall be deemed to and shall end on the Facility Termination Date; and

(ii) the duration of each such Interest Period that commences on or after the Facility Termination Date, if any, shall be of such duration as shall be selected by the applicable Funding Agent.

"International Registry" means the international registry located in Dublin, Ireland, established pursuant to the Cape Town Convention.

"International Registry Procedures" means the official English language text of the Procedures for the International Registry issued by the supervisory authority thereof pursuant to the Cape Town Convention.

"Investment Agreement" means, with respect to any Person, any Operating Document or Organizational Document, joint venture agreement, limited liability company operating agreement, stockholders agreement or other agreement creating, governing or evidencing any Equity Interests and to which such Person is now or hereafter becomes a party, as any such agreement may be amended, modified, supplemented, restated or replaced from time to time pursuant to the terms thereof.

"Irish Bank" means any bank organized under the laws of the Republic of Ireland.

"Irish Pledge" means each Equitable Charge on Shares granted or to be granted by the applicable Borrower Group Member in favor of the Collateral Agent relating to each of its Irish incorporated Subsidiaries.

"Irish VAT Refund Account" means an account in the name of the Borrower and maintained with an Irish Bank.

"Lease" means a lease agreement, which is listed on Schedule III hereto, as such schedule is supplemented (or, if not so supplemented, required to be supplemented) pursuant to the terms hereof from time to time, between an Aircraft Owning Entity or an Applicable Intermediary, as lessor of an Aircraft, and an airline, air freight company or similar entity, as lessee of such Aircraft, in each case together with all schedules, supplements and amendments thereto, and each other document, agreement and instrument related thereto.

"Leasing Company Practice" means the reasonable commercial practices of leading international aircraft operating lessors.

"Lender Rate" means:

(a) with respect to any Advance made and held by a Lender in any Class A Funding Group, and the Interest Period related thereto, an interest rate per annum equal to the Eurodollar Rate applicable to such Interest Period plus the Applicable Class A Margin; provided, however, that if the related Funding Agent determines that (x) funding such Advance at a Eurodollar Rate would violate any applicable law, rule, regulation, or directive, whether or not having the force of law, or (y) adequate and reasonable means do not exist for ascertaining the Eurodollar Rate, then, in any such case, such Funding Agent shall suspend the availability of such Eurodollar Rate for such Lender in the Class A Funding Group and such Advance for such Lender shall accrue Yield during such Interest Period at the Alternate Base Rate; and

(b) with respect to any Advance made and held by a Lender in any Class B Funding Group, and the Interest Period related thereto, an interest rate per annum equal to the Eurodollar Rate applicable to such Interest Period plus the Applicable Class B Margin; provided, however, that if the related Funding Agent determines that (x) funding

such Advance at a Eurodollar Rate would violate any applicable law, rule, regulation, or directive, whether or not having the force of law, or (y) adequate and reasonable means do not exist for ascertaining the Eurodollar Rate, then, in any such case, such Funding Agent shall suspend the availability of such Eurodollar Rate for such Lender in the Class B Funding Group and such Advance for such Lender shall accrue Yield during such Interest Period at the Alternate Base Rate.

"Lenders" has the meaning set forth in the Preamble.

"Lessee" means the lessee under the applicable Lease.

"Lessee Diversity Score" means, with respect to the Borrower's Portfolio and as of any date of determination, the aggregate sum of the individual percentages, calculated for each individual Lessee of an Aircraft under Lease to such Lessee (a "Specified Lessee") or an Affiliate thereof, with such individual percentages determined pursuant to the following formula:

(ABVL / AABV) x ILS

where:

ABVL = the Adjusted Borrowing Value of Funded Aircraft under Lease to the Specified Lessee (or an Affiliate thereof);

AABV = the aggregate Adjusted Borrowing Value of all Funded Aircraft in the Borrower's Portfolio; and

ILS = the Individual Lessee Score for the Specified Lessee.

"Lessee Diversity Score Advance Rate Adjustment" means an adjustment to the Base Advance Rates based on the Lessee Diversity Score as follows:

(a) for any date of determination, if the Lessee Diversity Score as of such date is equal to or below 30%, the applicable Base Advance Rate is reduced by 10 percentage points so long as Critical Mass does not exist, and by 5 percentage points while Critical Mass exists;

(b) for any date of determination, (i) if the Lessee Diversity Score as of such date is lower than or equal to 39% but greater than 38%, the applicable Base Advance Rate will decrease by 6/10ths of a percentage point so long as Critical Mass does not exist, and by 3/10ths of a percentage point while Critical Mass exists, and (ii) for each additional integral percentage point from 38% down to 30% as to which the Lessee Diversity Score as of such date is lower than or equal to the higher integer and greater than the next lower integer, the applicable Base Advance Rate will decrease by an additional 6/10ths of a percentage point, so long as Critical Mass does not exist, and by 3/10ths of a percentage point while Critical Mass exists;

(c) for any date of determination, (i) if the Lessee Diversity Score as of such date is lower than or equal to 49% but greater than 48%, the applicable Base Advance

Rate will decrease by 4/10ths of a percentage point so long as Critical Mass does not exist, and by 2/10ths of a percentage point while Critical Mass exists, and (ii) for each additional integral percentage point from 48% down to 39% as to which the Lessee Diversity Score as of such date is lower than or equal to the higher integer and greater than the next lower integer, the applicable Base Advance Rate will decrease by an additional 4/10ths of a percentage point, so long as Critical Mass does not exist, and by 2/10ths of a percentage point while Critical Mass exists; and

(d) for any date of determination as of which the Lessee Diversity Score as of such date is equal to or greater than 49%, the applicable Base Advance Rates will have no adjustment.

"Lessee Limitation Event" means that at any time after the Borrower initially achieves Critical Mass, and immediately after giving effect to any of the following:

(a) an acquisition into the Borrower's Portfolio of an Aircraft subject to a Lease, or

(b) the sale and consequent removal from the Borrower's Portfolio of an Aircraft subject to a Lease, or

(c) the leasing of an Aircraft within the Borrower's Portfolio (other than an extension or renewal with the same Lessee of a then-existing Lease),

any Country/Region Concentration applicable to a Lessee exceeds a Country/Region Concentration Limit.

"Lessee Location" means, where such term is used in connection with Country/Region Concentration, the country or geographical region (within the designated categories of same set forth in the table on Appendix I hereto headed "Geographical Diversification") in which the applicable Lessee is domiciled.

"Lessor" means the lessor under the applicable Lease.

"Lien" means any security interest, lien, mortgage, charge, pledge, preference, equity or encumbrance of any kind, including tax liens, mechanics' liens, conditional sale and any liens that attach by operation of law.

"Liquidity Reserve Account" has the meaning set forth in Section 5.1(a)(i).

"Local Aircraft Counsel" means any law firm having expertise in Applicable Foreign Aviation Law matters that is reasonably satisfactory to the Administrative Agent.

"London Holding Account" means a deposit account, the subject of a Holding Account Control Agreement, established and maintained by the Borrower with London Account Bank.

"London Account Bank" means the commercial bank located in London, England which has executed a Holding Account

Control Agreement and which provides the London Holding Account.

"Lyon" means Lyon Location SARL, a company organized under the law of France.

"Lyon Assignment" means the Security Assignment dated April 26, 2006 between Lyon, as assignor, and Opal, as assignee, which includes as collateral the rights of Lyon under the Tombo Sublease and under the Mitsui Tombo Guaranty and the rights of Tombo under the Tombo Assignment, as such assignment may be amended, modified or supplemented from time to time pursuant to the terms thereof.

"Lyon Lease" means the Aircraft Specific Lease Agreement (incorporating provisions of the Common Terms Agreement referred to therein) dated March 17, 2006 between Opal, as lessor, and Lyon, as lessee, covering the leasing of the ANA Aircraft, as such lease may be amended, modified or supplemented from time to time pursuant to the terms thereof.

"Maintenance Reserve Account" means the Maintenance Reserve Trust Account together with the Maintenance Reserve DDA Account (it being understood that any provision herein providing for or requiring a deposit of funds to the Maintenance Reserve Account shall be deemed to refer to a deposit to the Maintenance Reserve DDA Account, with all amounts on deposit in the Maintenance Reserve DDA Account to be automatically transferred on a daily basis to the Maintenance Reserve Trust Account).

"Maintenance Reserve DDA Account" means an account (number 01474611) in the name of the Borrower and maintained with the Account Bank.

"Maintenance Reserve Trust Account" means an account (number 51945) in the name of the Borrower and maintained with the Account Bank.

"Maintenance Reserves" means maintenance reserves or other supplemental rent payments based on usage of the Aircraft payable by the lessee under any Lease for purposes of reserving for the payments with respect to the future maintenance and repair of the related Aircraft.

"Material Adverse Effect" means a material adverse effect on (i) the interests, taken as a whole, of the Borrower, any Borrower Subsidiary, AerCap, the Collateral Agent, or the Lenders in the Aircraft, the Leases, the Related Security or any other Borrower Collateral, (ii) the Borrower's, any Borrower Subsidiary's, AerCap's, or any Service Provider's ability to perform its obligations under this Agreement or any other Transaction Document, as applicable, (iii) the validity or enforceability of this Agreement or any of the Credit Documents or (iv) the validity or enforceability of a substantial portion of the Leases.

"Maximum Aggregate Principal Amount" means, as of any date of determination, the sum of the Maximum Class A Principal Amount and the Maximum Class B Principal Amount.

"Maximum Class A Principal Amount" means, as of any date of determination, the lesser of (a) the Class A Borrowing Base and (b) the Class A Advances Limit.

"Maximum Class B Principal Amount" means, as of any date of determination, the lesser of (a) the Class B Borrowing Base and (b) the Class B Advances Limit.

"Minimum Category 1 Percentage" means 40%.

"Mitsui" means Mitsui & Co., Ltd., a company organized under the law of Japan.

"Mitsui Tateha Guaranty" means the Deed of Guarantee dated March 17, 2006, from Mitsui, as guarantor, in favor of Opal, as beneficiary, covering the obligations of Tateha under the Tateha Sale and Conditional Repurchase Agreement and the Tateha Aircraft Mortgage, as the such guaranty may be amended, modified or supplemented from time to time pursuant to the terms thereof.

"Mitsui Tombo Guaranty" means the Deed of Guarantee dated March 17, 2006, from Mitsui, as guarantor, in favor of Lyon, as beneficiary, covering the obligations of Tombo under the Tombo Lease, as the same may be amended, modified or supplemented from time to time pursuant to the terms thereof.

"Moody's" means Moody's Investors Service, Inc.

"Monthly Report" has the meaning set forth in Section 10.19(a)(i).

"Multiemployer Plan" means, as to any Person, a "multiemployer plan" as defined in Section 4001(a)(3) of ERISA to which such Person or any ERISA Affiliate is making, or is accruing an obligation to make, contributions or has made, or been obligated to make, contributions within the preceding six (6) Fiscal Years.

"New Accord" has the meaning set forth in Section 6.2(b).

"New Rules" has the meaning set forth in Section 6.2(b).

"New Transaction Documents" has the meaning set forth in Section 7.1A(a).

"Non-Conduit Lender" means any Lender other than a Conduit Lender.

"Non-Conduit Lender Commitment" of any Non-Conduit Lender means (a) with respect to each Class A Non-Conduit Lender and Class A Advances, the amount set forth under such Lender's name on the signature pages hereto as such Lender's "Class A Non-Conduit Lender Commitment", or such amount as reduced or increased by any Assignment and Assumption entered into by such Lender in compliance with Section 15.1, (b) with respect to each Class B Non-Conduit Lender and Class B Advances, the amount set forth under such Lender's name on the signature pages hereto as such Lender's "Class B Non-Conduit Lender Commitment", or such amount as reduced or increased by any Assignment and Assumption entered into by such Lender in compliance with Section 15.1 and (c) with respect to a Non-Conduit Lender (other than a Non-Conduit Lender described in clauses (a) or (b) above) that has entered into an

Assignment and Assumption in compliance with Section 15.1, the amount set forth therein as such Non-Conduit Lender's Non-Conduit Lender Commitment, in each case as such amount may be reduced or increased by an Assignment and Assumption entered into by such Non-Conduit Lender in compliance with Section 15.1.

"Non-Excluded Taxes" has the meaning set forth in Section 6.3(a).

"Non-Note Register" has the meaning set forth in Section 15.5(a).

"Non-Note Registrar" has the meaning set forth in Section 15.5(a).

"Non-Trustee Account" means any account in the name of the Borrower and maintained with a Non-Trustee Account Bank.

"Non-Trustee Account Bank" means a bank (other than the Account Bank) with which a Non-Trustee Account is maintained.

"Note" means any promissory grid note, in the form of Exhibit B, made payable to the order of a Funding Agent at the request of such Funding Agent for the benefit of a Funding Group or any replacement of such Note.

"Note Register" has the meaning set forth in Section 15.5(b).

"Note Registrar" has the meaning set forth in Section 15.5(b).

"Notice and Acknowledgment" means a Notice and Acknowledgment in form and substance reasonably acceptable to the Administrative Agent, provided that a notice and acknowledgment substantially in the form attached as Exhibit D to the Security Trust Agreement (but with changes from such form as determined by the Servicer in its sole discretion to address the comments or requests made by, and negotiations of the Servicer with, the Lessee as to the Lessee's representations and coverage of indemnitees therein, but in all cases to include the Lessee representation set forth in clause (a) of paragraph 8 of the form at such Exhibit D) shall be deemed acceptable to the Administrative Agent.

"Obligations" means all obligations of the Borrower, AerCap, any Service Provider, or any Borrower Subsidiary to the Lenders, the Administrative Agent, the Funding Agents and the Collateral Agent arising under or in connection with this Agreement, the Notes, if any, and each other Transaction Document to which the Borrower, AerCap, such Servicer Provider, or any Borrower Subsidiary is a party.

"Obligor" means a Person obligated to make payments with respect to a Lease.

"OFAC" has the meaning set forth in Section 9.21.

"Off-Lease" means an Aircraft that is, as of any date of determination, not subject to an existing Lease. "Off-Lease Aircraft" has a correlative meaning.

"Opal" means Opal Aircraft Leasing Limited, a limited liability company incorporated under the laws of Ireland.

"Operating Documents" means with respect to any corporation, limited liability company, partnership, limited partnership, limited liability partnership, trust or other legally authorized incorporated or unincorporated entity, the bylaws, memorandum and articles of association, operating agreement, partnership agreement, limited partnership agreement, trust agreement or other applicable documents relating to the operation, governance or management of such entity.

"Operating Expenses" means amounts due by any Borrower Group Member with respect to (i) owner trustee fees and expenses, (ii) Taxes (other than Borrower Income Tax Expenses), and (iii) all other operating and administrative expenses payable or reimbursable by the Borrower.

"Opinion of Counsel" means a written opinion of independent counsel reasonably acceptable to the Administrative Agent, which opinion, if such opinion or a copy thereof is required by the provisions of this Agreement to be delivered to the Administrative Agent or to any Funding Agent, is acceptable in form and substance to the Administrative Agent.

"Organizational Documents" means with respect to any corporation, limited liability company, partnership, limited partnership, limited liability partnership, trust or other legally authorized incorporated or unincorporated entity, the articles of incorporation, bye-laws, certificate of incorporation, articles of organization, certificate of limited partnership, certificate of trust or other applicable organizational or charter documents relating to the creation of such entity.

"Original Agreement" has the meaning set forth in the Preamble.

"Original Agreement Refinancing Advance" has the meaning set forth in the Preamble.

"Original Agreement Repayment Amount" has the meaning set forth in the Preamble.

"Original Closing Date" means April 26, 2006.

"Other Conduit" means a commercial paper conduit administered by an Other Non-Conduit Lender which commercial paper conduit, under an Assignment and Assumption, an amendment to, or an amendment and restatement of this Agreement, as applicable, hereafter agrees to become a party hereto as a Conduit Lender hereunder.

"Other Fees" means all fees and other amounts payable by the Borrower to an Other Conduit, an Other Funding Agent or an Other Non-Conduit Lender pursuant to the Fee Letter.

"Other Funding Agent" means an Other Non-Conduit Lender in its capacity as funding agent for an Other Funding Group.

"Other Funding Group" means, collectively, an Other Conduit and each related Other Non-Conduit Lender.

"Other Funding Group Limit" means the maximum outstanding principal amount of Advances that may be extended by an Other Funding Group. As of the date of this Agreement, each Other Funding Group Limit is $0.

"Other Improvement Effective Date" means, in respect of an Approved Aircraft Improvement other than a Freighter Conversion, the date by which each of the following has occurred: (a) the completion of such Approved Aircraft Improvement, (b) the delivery of appropriate completion and/or airworthiness certificates associated therewith to the Administrative Agent, in form and substance reasonably acceptable thereto, and (c) the placing of such Aircraft back into service following such improvement.

"Other Non-Conduit Lender" means a bank or other financial institution which, under an Assignment and Assumption, an amendment to, or an amendment and restatement of this Agreement, as applicable, hereafter agrees to become a party hereto as a Non-Conduit Lender hereunder and/or any of its successors and assigns thereof permitted under the terms hereof.

"Other Non-Conduit Lender Percentage" of any Other Non-Conduit Lender means, (i) with respect to an Other Non-Conduit Lender, the percentage set forth on the signature page to an amendment to or an amendment and restatement of this Agreement, as such amount is reduced or increased by any Assignment and Assumption entered into with an Eligible Assignee (or other assignee consented to by the Borrower) or, after the occurrence of an Event of Default, any other Person or (ii) with respect to an Other Non-Conduit Lender that has entered into an Assignment and Assumption, the amount set forth therein as such Non-Conduit Lender's Other Non-Conduit Lender Percentage, as such amount is reduced or increased by an Assignment and Assumption entered into between such Other Non-Conduit Lender and an Eligible Assignee (or other assignee consented to by the Borrower) or, after the occurrence of an Event of Default, any other Person.

"Outstanding Class A Principal Amount" means, as of any date of determination, the sum of all outstanding Class A Advances.

"Outstanding Class B Principal Amount" means, as of any date of determination, the sum of all outstanding Class B Advances.

"Outstanding Principal Amount" means, as of any date of determination, the sum of all outstanding Advances.

"Own" means, with respect to an Aircraft, to hold legal, direct and sole ownership of such Aircraft, or, in the case of the ANA Aircraft, to hold beneficial ownership pursuant to the ANA Beneficial Ownership Structure. The terms "Ownership" and "Owned by" have a correlative meaning.

"Owner Participant" means a Borrower Subsidiary which is the sole beneficial owner of one or more Aircraft by means of owning, pursuant to an Owner Trust Agreement, all of the beneficial interest in the Owner Trust which Owns such Aircraft.

"Owner Trust" means an owner trust, reasonably satisfactory to the Administrative Agent, (i) that is the legal owner of an Aircraft and (ii) all of the beneficial interest in which is owned by an Owner Participant pursuant to an Owner Trust Agreement.

"Owner Trust Agreement" means a trust agreement, reasonably satisfactory to the Administrative Agent, between an Owner Participant and an Owner Trustee.

"Owner Trustee" means a Person, not in its individual capacity, but solely in its capacity as the owner trustee of an Owner Trust under an Owner Trust Agreement, which such Person shall be (i) a bank or trust company having a combined capital and surplus of at least One Hundred Million Dollars ($100,000,000) and that is reasonably satisfactory to the Administrative Agent, or (ii) any other Person that is reasonably satisfactory to the Administrative Agent, it being understood that as of the Closing Date any of Wells Fargo Bank National Association, Wells Fargo Bank Northwest, National Association, Wilmington Trust Company, or U.S. Bank, National Association each are satisfactory to the Administrative Agent.

"Participant" means the party to a Participation Agreement identified as the "Participant" thereunder, which party if becoming a Participant prior to the occurrence and during the continuance of an Event of Default, (A) shall not be an entity which, at the time of becoming a Participant, competes with AerCap in a material manner in the leasing of commercial aircraft unless the Borrower has otherwise consented to such specific competitor entity becoming a Participant, and (B) if becoming a Participant prior to the Amortization Period, either (1) has a long term debt rating of at least "A" from Standard & Poor's and/or "A2" from Moody's, or a short term debt rating of at least "A-1" from Standard & Poor's and/or "P-1" from Moody's, or (2) has otherwise been consented to by the Borrower (with such consent not to be unreasonably withheld or delayed).

"Participation Agreement" means a written agreement between UBSRESI and the applicable Participant, substantially in the form attached hereto as Exhibit J.

"Patriot Act" has the meaning set forth in Section 9.21.

"Payment Date" means the 10th day of each calendar month, or if such 10th day is not a Business Day, the next succeeding Business Day.

"Pension Plan" means, with respect to any Person, any employee pension benefit plan within the meaning of Section 3(2) of ERISA, other than a Multiemployer Plan, which is subject to the provisions of Title IV of ERISA or Section 412 of the Code and which (i) is maintained for employees of such Person or any of its ERISA Affiliates or is assumed by such Person or any of its ERISA Affiliates in connection with any acquisition or (ii) has at any time been maintained for the employees of such Person or any current or former ERISA Affiliate.

"Permitted Lien" means:

(i) any Lien for Taxes if (a) such Taxes shall not be due and payable, or (b) the obligation to pay such Taxes is being contested in good faith by appropriate proceedings and as to which reserves have been established and, in accordance with

GAAP, are reflected in the relevant financial statements, provided, that any proceedings related thereto, or the continued existence of such Lien, does not give rise to any reasonable likelihood of the sale, forfeiture or other loss of the affected asset or of criminal liability on the part of any Borrower Group Member;

(ii) in respect of any Aircraft, any repairer's, carrier's or hangar keeper's, warehousemen's, mechanic's or materialmen's Lien or employee and other like Liens arising in the ordinary course of business by operation of law or any engine or parts-pooling arrangements or other similar Lien if such Liens (a) have not been due and payable for more than sixty (60) days, or (b) have been due and payable for more than sixty (60) days, but are being contested in good faith and as to which reserves, reasonably satisfactory to the Administrative Agent, have been established and in accordance with GAAP are reflected in the relevant financial statements, provided, that any proceedings related thereto, or the continued existence of the Lien, do not give rise to any reasonable likelihood of the sale, forfeiture or other loss of the affected assets or of criminal liability on the part of any Borrower Group Member;

(iii) any Lien for any air navigation authority, airport tending, gate or handling (or similar) charges or levies arising in the ordinary course of business unless such Lien gives rise to a reasonable likelihood of the sale, forfeiture or other loss of the affected assets or of criminal liability on the part of any Borrower Group Member;

(iv) any Lien created by a Lessee, a sublessee of a Lessee or any Person claiming by or through a Lessee or such a sublessee, provided that the Dollar equivalent amount of claims, charges or obligations asserted to be secured by such Lien, does not exceed 10% of the Adjusted Borrowing Value of the Aircraft as to which such Lien purports to attach, unless Effectively Bonded;

(v) any Lien created in favor of the Collateral Agent, the Administrative Agent, the Funding Agents or the Lenders pursuant to the Transaction Documents;

(vi) any permitted lien or encumbrance, as defined under any Lease, on any Aircraft or the engines or parts thereof (other than liens or encumbrances created by the relevant lessor);

(vii) the respective rights of the Aircraft Owning Entity, any Applicable Intermediary and the lessee under any applicable Lease (and the rights of any sublessee under any permitted sublease relating to such Lease) and the documents related thereto; and

(viii) Liens arising out of any judgment or amount with respect to which an appeal or proceeding for review is being

prosecuted in good faith by appropriate proceedings diligently conducted and with respect to which a stay of execution is in effect, and such stay is Effectively Bonded.

"Person" means an individual, partnership, corporation, business trust, limited liability company, joint stock company, trust, unincorporated association, joint venture, government or any agency or political subdivision thereof or any other entity.

"Platform" has the meaning set forth in Section 17.3(c).

"Pledge of Borrower Equity" means a pledge, assignment, grant, charge, security agreement or other similar instrument, to be entered into by Codan Trust Company Limited as holder of 95% of the entire Equity Interest in the Borrower, encumbering in favor of the Collateral Agent such 95% Equity Interest in the Borrower.

"Political Risk/Repossession Insurance" means coverage under (i) the insurance policy MJ 51225 provided by Willis Limited for the benefit of the Borrower as in effect on the Original Closing Date, in the form provided and certified as a true and correct copy by the Borrower to the Administrative Agent for review prior to the Original Closing Date, but subject to supplement and indorsement as necessary to procure coverage levels up to at least the Required Coverage Amount and/or to effect such other additional coverages or increases in coverage as the Borrower or the Insurance Servicer may determine to obtain, and with such amendments, addendums, endorsements, extensions or replacements as may have been entered into consistent with the provisions of Section 10.34 hereof, or (ii) such other comparable insurance policy or policies in replacement of the foregoing as the Administrative Agent shall have reasonably approved.

"Precedent Lease" means (i) the lease under which an Aircraft is leased at the time such Aircraft becomes subject to the financing provided herein; or (ii) in connection with the leasing of an Aircraft to a Person that is or has been a lessee of aircraft from any Borrower Subsidiary, a form of lease substantially similar to the prior or pre-existing lease to such lessee from such lessor.

"Prohibited Countries" means those countries, as reasonably determined by the Administrative Agent from time to time (based upon applicable Rating Agency guidelines then in effect), in which Aircraft may not be registered in, or operated by lessees domiciled in or organized under the laws of, such countries without procuring insurance consistent with industry standards, which countries presently include Afghanistan, Albania, Bosnia, Burma, Burundi, Cambodia, Congo, Cote d'Ivoire, Cuba, Haiti, Herzegovina, Iran, Iraq, North Korea, Laos, Lebanon, Liberia, Libya, Montenegro, Rwanda, Serbia, any former Soviet Republic (other than Russia, Ukraine, Kazakhstan and Azerbaijan), Sudan, Syria, Yemen, Yugoslavia, Zaire and Zimbabwe.

"Purchase Agreement Guaranty" means the Guaranty Agreement of AerCap Holdings N.V., dated as of November 6, 2006, securing the obligations of AerCap under the AerCap-Borrower Purchase Agreement, or any successor or replacement to such agreement contemplated by Section 12.1(f) hereof and the terms thereof.

"Qualifying Lender" means a Lender, beneficially entitled to the interest payable to such Lender under this Agreement (a) which is an entity qualifying as a body corporate; (b) which, by virtue of the law of a relevant territory, is resident for the purposes of tax in that relevant

territory (a relevant territory for this purpose means (i) a Member State of the European Community (other than Ireland) or (ii) a territory which has concluded a double-tax treaty with Ireland which has force of law in Ireland and such relevant territory); and (c) to which the interest payments under this Agreement are not made in connection with a trade or business carried on by such Lender through a branch or agency in Ireland.

"Qualifying Purchase Option" means, with respect to a Lease that has a purchase option exercisable by the Lessee in respect of the Aircraft leased thereunder, that the expected purchase price of such option (as determined as of the Advance Date with respect to such Aircraft) will not be less than 95% of the Adjusted Borrowing Value of such Aircraft on the date of purchase pursuant to the option.

"Quarterly Report" means a report in substantially the form of Exhibit D hereto.

"Rating Agency" means Standard & Poor's and Moody's, or any of them.

"Records" means all Leases and other documents, books, records and other information (including, without limitation, computer programs, tapes, disks, data processing software (to the extent permitted by any applicable licenses) and related property and rights) directly related to the Leases and the other Aircraft Assets related to the Aircraft, and the servicing thereof, whether maintained by the Servicer or any other Person, and including without limitation with respect to each Lease: records including the lease number; Obligor name; Obligor address; Obligor business phone number; original term; rent; stated termination date; origination date; date of most recent payment; days (if any) currently delinquent; number of contract extensions (months) to date; expiration date of any current insurance policies; and past due late charges (if any).

"Related Expenses" means amounts due by any Borrower Group Member to an Obligor under a Lease or related document that are not funded out of the Maintenance Reserve Account or the Security Deposit Account.

"Related Security" means with respect to any Lease:

(a) any and all security interests or Liens and property subject thereto from time to time purporting to secure payment of such Lease;

(b) all guarantees, indemnities, warranties, letters of credit, escrow accounts, insurance policies and proceeds and premium refunds thereof and other agreements or arrangements of whatever character from time to time supporting or securing payment of such Lease whether pursuant to such Lease or otherwise;

(c) the Records relating to such Lease; and

(d) all proceeds of the foregoing.

"Replaced Lender" has the meaning set forth in Section 6.6(b).

"Replacement Lender" has the meaning set forth in Section 6.6(b).

"Required Coverage Amount" means, with respect to any country described in clause (b)(2) of the definition of Approved Country List, an amount of available coverage under Political Risk/Repossession Insurance with respect to covered events affecting the related Funded Aircraft, which amount results in net proceeds available under such coverage at least equal to 105% of the aggregate Allocable Advance Amounts of Funded Aircraft registered in such country or leased by a Lessee organized or domiciled in such country (with such Allocable Advance Amount measured as of the date the Aircraft became a Funded Aircraft hereunder).

"Required Liquidity Reserve Amount" means, for any date of determination, an amount equal to (i) for so long as Critical Mass exists, 4%, and (ii) otherwise, 6%, in each case of the Adjusted Borrowing Value of the Funded Aircraft in the Borrower's Portfolio as of such date.

"Requirement of Law" means, as to any Person, any law, treaty, rule, order or regulation or determination of a regulatory authority or arbitrator or a court or other Government Entity, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject, including, without limitation, each Applicable Foreign Aviation Law applicable to such Person or the Aircraft Owned or operated by it or as to which it has a contractual responsibility.

"Section 6.3 Indemnitee" has the meaning set forth in Section 6.3(a).

"Security Deposit" means any security deposits, commitment fees, consultant fees and any other supplemental rent payments in respect thereof payable by any Lessee under a Lease.

"Security Deposit Account" means an account (number 51946) in the name of the Borrower and maintained with the Account Bank.

"Security Trust Agreement" means the Security Trust Agreement, dated as of April 26, 2006 and substantially in the form of Exhibit I hereto, among the Collateral Agent, the Borrower and each of the Borrower Subsidiaries from time to time, as such agreement may be amended, modified and/or restated from time to time pursuant to the terms thereof.

"Seller" means any seller or transferor of an Aircraft or Aircraft Owning Entity under a related Aircraft Acquisition Document.

"Service Provider Agreements" means, collectively, the Servicing Agreement, the Service Provider Administrative Agency Agreement, and the Cash Management Agreement.

"Service Provider Administrative Agency Agreement" means the Administrative Agency Agreement, dated as of April 26, 2006, among the Service Provider Administrative Agent, the Financial Administrative Agent, the Borrower, the Aircraft Owning Entities, the Owner Participants, the Applicable Intermediaries and the Administrative Agent, substantially in the form of Exhibit E hereto, as the same may be amended, modified and/or restated from time to time pursuant to the terms thereof.

"Service Provider Administrative Agent" has the meaning set forth in the Preamble.

"Service Provider Fees" means, with respect to any Payment Date, (a) a fee for the services of the Servicer under the Servicing Agreement, equal to 3.00%, (b) a fee for the services of the Administrative Agent under the Service Provider Administrative Agency Agreement, equal to 0.40%, (c) a fee for the services of the Cash Manager under the Cash Management Agreement, equal to 0.40%, (d) a fee for the services of the Insurance Servicer under the Servicing Agreement, equal to 0.10%, and (e) a fee for the services of the Financial Administrative Agent under the Service Provider Administrative Agency Agreement, equal to 0.10%, in each case of the total amount of lease rental payments (excluding any Maintenance Reserves or Security Deposits, unless and until applied to Lease obligations, and/or any payments reimbursable to any Obligor) paid by Obligors and deposited into the Collection Account during the monthly period commencing with a Determination Date through the day preceding the next Determination Date.

"Service Providers" means, collectively, the Servicer, Service Provider Administrative Agent, Insurance Servicer, Cash Manager and Financial Administrative Agent.

"Servicer" has the meaning set forth in the Preamble.

"Servicer Advance" has the meaning assigned such term in Section 8.1(g).

"Servicer Advance Reimbursement" means the amount of a Servicer Advance, to which the Servicer shall be entitled to reimbursement under the Flow of Funds.

"Servicer Standard of Performance" means, collectively, the Standard of Care and the Conflicts Standard, in each case as such terms are defined in the Servicing Agreement.

"Servicer Termination Event" has the meaning set forth in Section 12.1.

"Servicing Agreement" means the Servicing Agreement, dated as of April 26, 2006, among the Servicer, the Insurance Servicer, the Service Provider Administrative Agent, the Financial Administrative Agent, the Borrower, the Aircraft Owning Entities, the Owner Participants, the Applicable Intermediaries and the Administrative Agent, substantially in the form of Exhibit G hereto, as the same may be amended, modified and/or restated from time to time pursuant to the terms thereof.

"Settlement Date" means, with respect to any Advance, (x) each Payment Date, or (y) the date on which the Borrower shall repay or prepay Advances pursuant to Section 4.1 or Section 4.2.

"Solvent" means, when used with respect to any Person, that at the time of determination:

(i) the fair value of its assets (both at fair valuation and at present fair saleable value on an orderly basis) is in excess of the total amount of its liabilities, including Contingent Liabilities; and

(ii) it is then able and expects to be able to pay its debts as they mature;

(iii) with respect to any Person formed, organized or incorporated under the laws of Ireland, it is neither unable nor deemed to be unable to pay its debts within the meaning of Section 214 of the Companies Act, 1963 (as amended) or Section 2(3) of the Companies (Amendment) Act 1990; and

(iv) it has capital sufficient to carry on its business as conducted and as proposed to be conducted.

"Standard & Poor's" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.

"State" means a State in the United States of America.

"Stated Maturity Date" means the third anniversary of the Conversion Date or, if such third anniversary is not a Business Day, the first Business Day following such fourth anniversary.

"Subsidiary" means, with respect to any Person (for purposes of this definition only, the "Parent") at any date, (i) any person the accounts of which would be consolidated with those of the Parent in the Parent's consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, (ii) any other corporation, limited liability company, association, trust or other business entity of which securities or other ownership interests representing more than 50% of the voting power of all Equity Interests entitled (without regard to the occurrence of any contingency) to vote in the election of the Board of Directors thereof are, as of such date, owned, controlled or held by the Parent and/or one or more subsidiaries of the Parent, (iii) any partnership (a) the sole general partner or the managing general partner of which is the Parent and/or one or more subsidiaries of the Parent or (b) the only general partners of which are the Parent and/or one or more subsidiaries of the Parent and (iv) any other person that is otherwise Controlled by the Parent and/or one or more subsidiaries of the Parent.

"Supporting Party" means AerCap Holdings N.V., in its capacity as signatory to the Purchase Agreement Guaranty and the Indemnity Agreement, or any successor or replacement thereto in such capacity as contemplated by Section 12.1(f) hereof and the terms thereof.

"Syndication Cooperation Agreement" means an agreement substantially in the form of Exhibit N hereto, dated on or before the Original Closing Date, among the Servicer, the Borrower and the Administrative Agent.

"Tateha" means Tateha Aircraft Holding Corporation, a company organized under the law of Japan.

"Tateha Aircraft Mortgage" means the First Priority Aircraft Mortgage Agreement dated March 17, 2006, between Tateha, as mortgagor, and Opal, as mortgagee, covering the ANA Aircraft, as such mortgage may be amended, modified or supplemented from time to time pursuant to the terms thereof.

"Tateha Sale and Conditional Repurchase Agreement" means the Sale and Conditional Repurchase Agreement dated March 17, 2006, among Opal, as Seller, Tateha, as Titleholder, and Mitsui, as Parent, covering the ANA Aircraft, as such agreement may be amended, modified or supplemented from time to time pursuant to the terms thereof.

"Taxes" means all taxes, levies, imposts, duties, charges, fees, deductions or withholdings imposed, levied, collected, withheld or assessed by any Governmental Entity.

"Tax Return" means any return, declaration, report, claim for refund, or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

"Termination" has the meaning set forth in Section 17.19.

"Termination Payment" has the meaning set forth in Section 17.19.

"Third Party Event" has the meaning set forth in Section 10.14.

"Tombo" means Tombo Capital Corporation, a company organized under the law of Japan.

"Tombo Assignment" means the Security Assignment dated March 17, 2006 between Tombo, as assignor, and Lyon, as assignee, which includes as collateral the rights of Tombo under the ANA Sublease, as such assignment may be amended, modified or supplemented from time to time pursuant to the terms thereof.

"Tombo Sublease" means the Aircraft Sublease Agreement dated March 17, 2006 between Lyon, as lessor, and Tombo, as lessee, covering the leasing of the ANA Aircraft, as such sublease may be amended, modified or supplemented from time to time pursuant to the terms thereof.

"Transaction Documents" means the Credit Documents, any Aircraft Acquisition Document, and any other documents executed or to be executed and delivered by the Borrower, AerCap, any Service Provider or any Borrower Subsidiary in connection therewith.

"Type" means with respect to an Aircraft, the designation of Aircraft type or model which designation is set forth on Table 1 and Table 2 in Appendix I hereto.

"UBS Funding Agent" has the meaning set forth in the Preamble.

"UBS Funding Group" means, collectively, each UBS Non-Conduit Lender.

"UBS Funding Group Limit" means the maximum outstanding principal amount of Advances that may be extended by the UBS Funding Group. As of the date of this Agreement, the UBS Funding Group Limit is $1,000,000,000.

"UBS Non-Conduit Lender" means UBSRESI, each financial institutions identified as a UBS Non-Conduit Lender on the signature pages hereof, and/or any of their respective successors and assigns permitted under the terms hereof.

"UBS Non-Conduit Lender Percentage" of any UBS Non-Conduit Lender means, (i) with respect to UBSRESI, 100%, as such percentage is reduced or increased by any Assignment and Assumption entered into with an Eligible Assignee (or other assignee consented to by the Borrower) or, after the occurrence of an Event of Default, any other Person or (ii) with respect to another UBS Non-Conduit Lender that has entered into an Assignment and Assumption, the amount set forth therein as such UBS Non-Conduit Lender's UBS Non-Conduit Lender Percentage, as such amount is reduced or increased by any Assignment and Assumption entered into between such UBS Non-Conduit Lender and an Eligible Assignee (or other assignee consented to by the Borrower) or, after the occurrence of an Event of Default, any other Person.

"UBSRESI" has the meaning set forth in the Preamble.

"UBSS" has the meaning set forth in the Preamble.

"UCC" means the Uniform Commercial Code as from time to time in effect in the applicable jurisdiction or jurisdictions.

"Weighted Average Portfolio Age" means, as of any Payment Date for which the same is determined, the weighted (by Adjusted Borrowing Value) average Aircraft Age of the Borrower's Portfolio as of such date.

"Weighted Average Portfolio Age Limit" means 8.5 years.

"Weighted Average Portfolio Age Advance Rate Adjustment" means an adjustment to the Base Advance Rates based on the Weighted Average Portfolio Age as follows:

(a) for any date of determination as of which the Weighted Average Portfolio Age is above 8.0 years, the applicable Base Advance Rate is reduced by 1.50 percentage points so long as Critical Mass does not exist, and by 1.00 percentage

points while Critical Mass exists;

(b) for any date of determination as of which the Weighted Average Portfolio Age is above 7.5 years, but at or below 8.0 years, the applicable Base Advance Rate is reduced by 1 percentage point so long as Critical Mass does not exist, and by 5/10ths of a percentage point while Critical Mass exists; and

(c) for any date of determination as of which the Weighted Average Portfolio Age is at or below 7.5 years, the applicable Base Advance Rates will have no adjustment.

"Wet Lease" means any arrangement whereby a lessee under a Lease (or the sublessee under any permitted sublease) agrees to furnish an Aircraft to a lessee pursuant to which (i) such lessee's (or permitted sublessee's) crew shall maintain full operational control of the Aircraft, (ii) such Aircraft shall be operated solely by regular employees of such lessee (or permitted

sublessee) or independent contractors under the direction and supervision of such lessee (or permitted sublessee) possessing all current appropriate FAA or other Applicable Foreign Government Entity certificates and licenses (it is understood that cabin attendants need not be regular employees of such lessee), (iii) the insurance required under such Lease shall remain in full force and effect, (iv) such Aircraft shall be maintained and used by such lessee (or permitted sublessee) and any maintenance provider in accordance with its normal maintenance practices and as required by the terms of the applicable Lease (or any relevant permitted sublessee), and (v) the term of any such arrangement does not extend beyond the remaining term of the applicable Lease.

"Widebody Aircraft" means Aircraft of the following Types (from the list of Types shown on Table 1 of Appendix I hereto): any Type with a designation using "747", "767", "777", "A330" or "MD-11".

"Widebody Maximum Percentage" means 30%.

"Widebody Percentage" means, as of any date of determination, the Facility Limit Percentage of Funded Aircraft constituting Widebody Aircraft.

"Yield" means, with respect to any period and any Advance, the sum of the daily interest accrued on such Advances on each day during such period equal, for any such day, to the product of (x) the outstanding principal amount of such Advances on such day, (y) the applicable Lender Rate and (z) the applicable computation period determined in accordance with Section 3.5 of this Agreement,

provided that (1) after the occurrence of an Event of Default, Yield shall accrue at the Default Rate with respect to all Advances and (2) after the date any principal amount of any Advance is due and payable (whether on the Stated Maturity Date, upon acceleration or otherwise) or after any other monetary Obligation of the Borrower arising under this Agreement shall become due and payable, the Borrower shall pay (to the extent permitted by law, if in respect of any unpaid amounts representing Yield) Yield (after as well as before judgment) on such amounts at a rate per annum equal to (A) with respect to Advances, the greater of (i) the applicable Yield on such Advance as in effect on the date that such Advance became due and payable, and (ii) the Federal Funds Rate most recently determined by the Administrative Agent plus 0.50% per annum, and (B) with respect to other Obligations, the Federal Funds Rate most recently determined by the Administrative Agent plus 0.50% per annum.

SECTION 1.2 Other Definitional Provisions.

(a) Unless otherwise specified therein, all terms defined in this Agreement have the meanings as so defined herein when used in any Note or any other Transaction Document, certificate, report or other document made or delivered pursuant hereto.

(b) Each term defined in the singular form in Section 1.1 or elsewhere in this Agreement shall mean the plural thereof when the plural form of such term is used in this Agreement, any Note or any other Transaction Document, certificate, report or other document

made or delivered pursuant hereto, and each term defined in the plural form in Section 1.1 shall mean the singular thereof when the singular form of such term is used herein or therein.

(c) The words "hereof," "herein," "hereunder" and similar terms when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and article, section, subsection, schedule and exhibit references herein are references to articles, sections, subsections, schedules and exhibits to this Agreement unless otherwise specified.

(d) All accounting terms not specifically defined herein shall be construed in accordance with GAAP. All terms used in Article 9 of the UCC in the State of New York, and not specifically defined herein, are used herein as defined in such Article 9 or any other article of the UCC in the State of New York.

ARTICLE II

THE FACILITY, ADVANCE PROCEDURES AND NOTES

SECTION 2.1 Facility.

(a) Initial Class A Advances. Subject to the terms and conditions of this Agreement, each of the Conduit Lenders, if any, in each Class A Funding Group may, on or after the Closing Date, in its sole discretion, and if the Conduit Lenders in such Class A Funding Group do not (or, if there are no Conduit Lenders in such Class A Funding Group), each Non-Conduit Lender in such Class A Funding Group shall, ratably, make an initial Class A Advance to the Borrower in such amounts as may be requested by the Borrower pursuant to Section 2.2 (the "Initial Class A Advances"). Notwithstanding the foregoing, if UBSRESI has entered into a Participation Agreement relating to all or any portion of its Non-Conduit Lender Commitment with respect to Initial Class A Advances, it shall not be obligated to the Borrower to fund against such related amount of its commitment under this subsection if it does not receive funding in respect of such related amount from the applicable Participant.

(b) Initial Class B Advances. Subject to the terms and conditions of this Agreement, each of the Conduit Lenders, if any, in each Class B Funding Group may, on or after the Closing Date, in its sole discretion, and if the Conduit Lenders in such Class B Funding Group do not (or, if there are no Conduit Lenders in such Class B Funding Group), each Non-Conduit Lender in such Class B Funding Group shall, ratably, make an initial Class B Advance to the Borrower in such amounts as may be requested by the Borrower pursuant to Section 2.2 (the "Initial Class B Advances" and, together with the Initial Class A Advances, the "Initial Advances"). Notwithstanding the foregoing, if UBSRESI has entered into a Participation Agreement relating to all or any portion of its Non-Conduit Lender Commitment with respect to Initial Class B Advances, it shall not be obligated to the Borrower to fund against such related amount of its commitment under this subsection if it does not receive funding in respect of such related amount from the applicable Participant.

(c) [Intentionally omitted.]

(d) Additional Class A Advances. Subject to the terms and conditions of this Agreement, each of the Conduit Lenders, if any, in each Class A Funding Group may, in its sole discretion, and if the Conduit Lenders in such Class A Funding Group do not (or, if there are no Conduit Lenders in such Class A Funding Group), each Non-Conduit Lender in such Class A Funding Group shall, during the Additional Advance Commitment Period, ratably make Class A Advances to the Borrower in such amounts as may be requested by the Borrower pursuant to Section 2.2 (the "Additional Class A Advances", and, together with the Initial Class A Advances, the "Class A Advances"). Notwithstanding the foregoing, if UBSRESI has entered into a Participation Agreement relating to all or any portion of its Non-Conduit Lender Commitment with respect to Additional Class A Advances, it shall not be obligated to the Borrower to fund against such related amount of its commitment under this subsection if it does not receive funding in respect of such related amount from the Participant.

(e) Additional Class B Advances. Subject to the terms and conditions of this Agreement, each of the Conduit Lenders, if any, in each Class B Funding Group may, in its sole discretion, and if the Conduit Lender in such Class B Funding Group do not (or, if there are no Conduit Lenders in such Class B Funding Group), each Non-Conduit Lender in such Class B Funding Group shall, during the Additional Advance Commitment Period, ratably make Class B Advances to the Borrower in such amounts as may be requested by the Borrower pursuant to Section 2.2 (the "Additional Class B Advances," and, together with the Initial Class B Advances, the "Class B Advances"; the Additional Class B Advances together with the Additional Class A Advances, the "Additional Advances"). Notwithstanding the foregoing, if UBSRESI has entered into a Participation Agreement relating to all or any portion of its Non-Conduit Lender Commitment with respect to Additional Class B Advances, it shall not be obligated to the Borrower to fund against such related amount of its commitment under this subsection if it does not receive funding in respect of such related amount from the Participant.

(f) [Intentionally omitted.]

(g) Class A Advance Limits, etc. Advances pursuant to clauses (a) and (d) above are subject to the following requirements:

(i) Initial Class A Advances and Initial Class B Advances, and Additional Class A Advances and Additional Class B Advances, relating to the same Aircraft (or the same Original Agreement Refinancing Advance, Critical Mass Event Advance or Increased Availability Advance or Improvement Advance, as the case may be), in each case shall be made on the same date (the "Initial Advance Date" or an "Additional Advance Date", as applicable);

(ii) After giving effect to such Advances, the Outstanding Class A Principal Amount outstanding hereunder shall not exceed the Maximum Class A Principal Amount and the Outstanding Class A Principal Amount advanced by any Non-Conduit Lender shall not exceed the Non-Conduit Lender Commitment of such Non-Conduit Lender;

(iii) the Outstanding Principal Amount outstanding hereunder shall not exceed the Maximum Aggregate Principal Amount; and

(iv) the aggregate principal amount of all Class A Advances made by any Class A Funding Group shall not exceed the related Funding Group Limit.

Each Class A Advance by a Class A Funding Group shall be made on a pro rata basis based on the Class A Funding Group Limit of such Class A Funding Group as a percentage of the aggregate Class A Funding Group Limits of all Class A Funding Groups and each

Class A Advance by a Non-Conduit Lender in a Class A Funding Group shall be made on a pro rata basis based on the Non-Conduit Lender Commitment of such Non-Conduit Lender as a percentage of the aggregate Non-Conduit Lender Commitments of all Non-Conduit Lenders in such Class A Funding Group (except as otherwise provided in the proviso to the last sentence of this Section 2.1(g)). Payments or prepayments of the Class A Advances may be reborrowed from time to time prior to the Conversion Date as Additional Class A Advances, but only to finance a portion of the acquisition cost for acquiring an Additionally Financed Aircraft into the Borrower's Portfolio, or to finance the reimbursement of Approved Asset Improvement Costs with an Improvement Advance, or in a single drawdown on a Payment Date as a Critical Mass Event Advance, or in a drawdown on a Payment Date as an Increased Availability Advance, and in each case otherwise subject to the terms and conditions applicable to such Advances herein.

The obligations of the Class A Funding Groups to fund Advances hereunder are several and not joint; provided, however, that if a Class A Funding Group shall fail to fund a Class A Advance pursuant to the terms hereof, any other Class A Funding Group may, in its sole discretion, fund all or any portion of such Class A Advance without regard to the pro rata provisions of this Agreement and without regard to the Class A Funding Group Limit of such Class A Funding Group or the Non-Conduit Lender Commitment of any Non-Conduit Lender included in such Class A Funding Group which shall be deemed adjusted to reflect any such funding without any other act by any Person being necessary.

(h) Class B Advance Limits, etc. Advances pursuant to clauses (b) and (e) above are subject to the following requirements:

(i) Initial Class B Advances and Initial Class A Advances, and Additional Class B Advances and Additional Class A Advances, relating to the same Aircraft (or the same Original Agreement Refinancing Advance, Critical Mass Event Advance or Increased Availability Advance or Improvement Advance, as the case may be), in each case shall be made on the same Initial Advance Date or Additional Advance date, as applicable;

(ii) After giving effect to such Advances, the Outstanding Class B Principal Amount shall not exceed the Maximum Class B Principal Amount and the Outstanding Class B Principal Amount advanced by any Non-Conduit Lender shall not exceed the Non-Conduit Lender Commitment of such Non-Conduit Lender;

(iii) the Outstanding Principal Amount shall not exceed the Maximum Aggregate Principal Amount; and

(iv) the aggregate principal amount of all Class B Advances made by any Class B Funding Group shall not exceed the related Funding Group Limit.

Each Class B Advance by a Class B Funding Group shall be made on a pro rata basis based on the Class B Funding Group Limit of such Class B Funding Group as a percentage of the aggregate Class B Funding Group Limits of all Class B Funding Groups and each Class B Advance by a Non-Conduit Lender in a Class B Funding Group shall be made on a pro rata basis based on the Non-Conduit Lender Commitment of such Non-Conduit Lender as a percentage of the aggregate Non-Conduit Lender Commitments of all Non-Conduit Lenders in such Class B Funding Group (except as otherwise provided in the proviso to the last sentence of this Section 2.1(h)). Payments or prepayments of the Class B Advances may be reborrowed from time to time prior to the Conversion Date as Additional Class B Advances, but only to finance a portion of the acquisition cost for acquiring an Additionally Financed Aircraft into the Borrower's Portfolio, or to finance the reimbursement of Approved Asset Improvement Costs with an Improvement Advance, or in a single drawdown on a Payment Date as a Critical Mass Event Advance, or in a drawdown on a Payment Date as an Increased Availability Advance, and in each case otherwise subject to the terms and conditions applicable to such Advances herein.

The obligations of the Class B Funding Groups to fund Advances hereunder are several and not joint; provided, however, that if a Class B Funding Group shall fail to fund a Class B Advance pursuant to the terms hereof, any other Class B Funding Group may, in its sole discretion, fund all or any portion of such Class B Advance without regard to the pro rata provisions of this Agreement and without regard to the Class B Funding Group Limit of such Class B Funding Group or the Non-Conduit Lender Commitment of any Non-Conduit Lender included in such Class B Funding Group which shall be deemed adjusted to reflect any such funding without any other act by any Person being necessary.

(i) [Intentionally omitted.]

(j) UBSRESI Agreements re Participant Rights. With respect to the references to UBSRESI's funding obligations in the relevant provisions in Section 2.1 above in the event of a failure of a Participant to honor its funding agreement to UBSRESI under a Participation Agreement, UBSRESI agrees with the Borrower that UBSRESI will use commercially reasonable efforts to enforce its rights to receive funds from the Participant (and agrees to consult with the Borrower in good faith as to the progress of its efforts in such enforcement) (the "Enforcement Efforts"); provided, that at the sole option of the Borrower, and upon the Borrower's written request, UBSRESI, in lieu of complying any further with the Enforcement Efforts, will promptly assign to AMS AerCap all of its rights to enforce against the Participant such dishonored funding obligation (and will execute any necessary powers of attorney, and give other commercially reasonable further assurances to or cooperation with the assignee, in order for the assignee to receive the full benefit of the assignment of such rights against the Participant under the Participation Agreement).

SECTION 2.2 Advance Procedures.

(a) Initial Advances. By at least 11:00 a.m., New York time, two (2) Business Days prior to the Initial Advance Date (or at such later time, on or prior to the Initial Advance Date, as the Borrower and the Administrative Agent may agree), the Borrower may request Initial Advances hereunder, by giving notice (herein called an "Initial Advance Request") to the Administrative Agent and each Funding Agent. The Initial Advance Request shall be

substantially in the form of Exhibit A or, if Initial Advance will be an Original Agreement Refinancing Advance, Exhibit A-1, and shall include the date and amount of the Initial Advance, and a borrowing base certification satisfactory to the Funding Agents, setting forth the information required therein. The Initial Advance shall be the Original Agreement Refinancing Advance (if any is required) or shall be made against, and in connection with the acquisition into the Borrower's Portfolio of, an aggregate Adjusted Borrowing Value of Aircraft as specified on the related Initial Advance Request, in either case, allocated among Class A Advances and Class B Advances based on the respective applicable Borrowing Bases at such time (and giving effect to such acquisition in determining the applicable Borrowing Bases), and shall be allocated *pro rata* among the Funding Groups based on their respective Funding Group Limits. The Borrower's Initial Advance Request shall be irrevocable unless and to the extent otherwise agreed among the parties in connection with closing the Initial Advances.

(b) Additional Advances. During the Additional Advance Commitment Period, the Borrower may request Additional Advances from time to time hereunder, by giving notice (herein called an "Additional Advance Request") to the Administrative Agent and the Collateral Agent and Account Bank (with a copy to be sent or delivered separately to each Funding Agent and, if funding through a Holding Account Bank is to be applicable, to the applicable Holding Account Bank), of the proposed Additional Advances not later than 11:00 a.m., New York time, three (3) Business Days prior to the proposed date of such Advances. The Additional Advance Request shall be substantially in the form of Exhibit A and shall include (i) the date and amount of such Additional Advances, (ii) whether and to what extent such Additional Advance constitutes an Additional Advance for the purpose of the Borrower's directly or indirectly acquiring Additionally Financed Aircraft, a Critical Mass Event Advance, an Improvement Advance or an Increased Availability Advance, (iii) whether such Additional Advance will involve transfers of Advance proceeds initially deposited into the Borrower Funding Account to either or both of the London Holding Account and/or the Hong Kong Holding Account pending subsequent release to the Borrower during the Holding Period (as defined in subsection (c) of Section 2.3 below), and if so the amount of such transfers to such accounts, (iv) the amount of the proceeds of any such Advance, if constituting proceeds of a Class B Advance, to be transferred from the Borrower Funding Account for deposit into the Liquidity Reserve Account, and (v) a borrowing base certification satisfactory to the Administrative Agent, setting forth the information required therein. Each Additional Advance Request (i) shall be for an aggregate principal amount of at least $5,000,000 (except that the final Additional Advance Request preceding the Conversion Date may be for a lesser amount), (ii) shall be made against, and in connection with (unless constituting an Improvement Advance, a Critical Mass Event Advance or an Increased Availability Advance) the anticipated acquisition into the Borrower's Portfolio of an aggregate Adjusted Borrowing Value of Aircraft as specified on the related Additional Advance Request, (iii) shall be allocated among Class A Advances and Class B Advances based on the respective Borrowing Bases at such time (and, in the case of Additionally Financed Aircraft, based on the respective Borrowing Bases but calculating them giving effect to and assuming all the proposed Additionally Financed Aircraft anticipated to be funded through such Advances will be funded on the same date within the Holding Period, and (iv) shall be allocated *pro rata* among the Funding Groups based on their respective Funding Group Limits.

(c) Funding Group Procedures; Monthly Eurodollar Rate Determination.

(i) The UBS Funding Agent shall promptly send notice of each proposed Advance (and the UBS Funding Group's ratable share thereof) to all of the UBS Non-Conduit Lenders concurrently by telecopier, or electronic mail promptly confirmed by telecopier, specifying the date of such Advance, the UBS Non-Conduit Lender Percentage of each UBS Non-Conduit Lender multiplied by the aggregate amount of the UBS Funding Group's ratable share of the Advance being requested and whether the Yield for the Interest Period for such Advance is calculated based on the Eurodollar Rate or the Alternate Base Rate.

(ii) Each Other Funding Agent shall promptly send notice of each proposed Advance (and the Other Funding Group's ratable share thereof) to all of the Other Non-Conduit Lenders concurrently by telecopier, or electronic mail promptly confirmed by telecopier, specifying the date of such Advance, the Other Non-Conduit Lender Percentage of each Other Non-Conduit Lender multiplied by the aggregate amount of the Other Funding Group's ratable share of the Advance being requested and whether the Yield for the Interest Period for such Advance is calculated based on the Eurodollar Rate or the Alternate Base Rate.

(iii) If a Conduit Lender in an Other Funding Group, if ever any, has determined not to make its ratable share of a proposed Advance (or if there is no Conduit Lender in such Other Funding Group), the related Other Funding Agent shall promptly send notice of the proposed Advance (and such Conduit Lender's ratable share thereof, if applicable) to all of the related Non-Conduit Lenders in such Other Funding Group concurrently by telecopier or electronic mail specifying the date of such Advance, the Other Non-Conduit Lender Percentage of each Other Non-Conduit Lender multiplied by the aggregate amount of the applicable Other Funding Group's ratable share of the Advance being requested, and whether the Yield for the Interest Period for such Advance is calculated based on the Eurodollar Rate or the Alternate Base Rate.

(iv) The Administrative Agent shall, two (2) Business Day's before the first day of each full monthly Interest Period during which the Advances will continue to bear interest based upon the Eurodollar Rate, determine the rate of interest for the upcoming one month Interest Period for each Funding Group's ratable share of the outstanding Advances, as contemplated in the definition of Eurodollar Rate. The Administrative Agent shall thereupon promptly notify the Borrower and each Funding Agent of the Eurodollar Rate it so determines, which will then constitute the Eurodollar Rate applicable to each Funding Group's ratable share of the Advances for the upcoming monthly Interest Period.

SECTION 2.3 Funding.

(a) Subject to the satisfaction of the conditions precedent set forth in Section 7.1B, as well as the conditions precedent in Section 7.5 with respect to the Initial Advance, or the conditions in Section 7.3 and Section 7.5 with respect to an Additional Advance constituting an Improvement Advance, or the conditions in Section 7.4 and Section 7.5 with respect to an

Additional Advance constituting a Critical Mass Event Advance or an Increased Availability Advance, as well as (in each case) the limitations set forth in Section 2.1 and Section 2.2, each Funding Agent, to the extent of the respective fundings made by the applicable Conduit Lender[s] (if any) and/or Non-Conduit Lenders in its Funding Group, shall, by wire transfer, make the proceeds of such requested Advance available in the Deutsche Bank "Trust and Securities Services Account" (following which the Collateral Agent/Account Bank shall immediately transfer such funds to Borrower Funding Account) in same day funds no later than 12:30 p.m., New York time, on the proposed date of the Advance; provided, that with respect to Improvement Advances, the proceeds thereof shall be wire transferred at the direction of the Borrower to the appropriate account of AerCap in repayment of the related amounts borrowed under the AerCap Liquidity Facility, and the proceeds of a portion of the related Class B Advances associated with an Improvement Advances, Critical Mass Advance or Increased Availability Advance may be directed by the Borrower for transfer from the Borrower Funding Account for deposit into the Liquidity Reserve Account to increase the balance therein up to their required funding levels. The Account Bank shall (i) not release any funds in the Borrower Funding Account to, or at the direction of, the Borrower unless the Account Bank shall have received written instructions (which written instructions may be provided by e-mail) to do so from the Administrative Agent, and also shall have received written directions (which written directions may be provided by e-mail) from the Borrower of the amounts to disburse and payment instructions, and (ii) if an Advance is not to be made on the proposed date for such Advance because any condition precedent with respect to such Advance has not been satisfied, return to the applicable Funding Agent, the funds made available in the Borrower Funding Account by such Person upon receipt of a written request of such Person. Notwithstanding the foregoing, the funding and release procedures applicable to Additional Advances requested to finance the acquisition of one or more anticipated Additionally Financed Aircraft, as described on the related Additional Advance Request, shall be as set forth in subsection (c) of this Section below (including the provisions in such subsection relevant to satisfaction of the conditions in Section 7.2 and Section 7.5 with respect to any such Additional Advance).

(b) Notwithstanding anything herein to the contrary, (x) a Non-Conduit Lender shall not be obligated to make an Advance under this Section 2.3 at any time in an amount which would exceed such Non-Conduit Lender's Non-Conduit Lender Commitment, less the amount of any prior Advances still outstanding made by such Non-Conduit Lender, and (y) if a Non-Conduit Lender has entered into a Participation Agreement relating to all or any portion of its Non-Conduit Lender Commitment, it shall not be obligated to the Borrower to fund against such related amount of its commitment if it does not receive funding in respect of such related amount from the Participant. Each Non-Conduit Lender's obligation shall be several, such that the failure of any Non-Conduit Lender to make available to the applicable Funding Agent any funds in connection with any Advance shall not relieve any other Non-Conduit Lender of its obligation, if any, hereunder to make funds available on the date of such Advance, but no Non-Conduit Lender shall be responsible for the failure of any other Non-Conduit Lender to make funds available in connection with any Advance; provided, however, that:

(i) if a Class A Non-Conduit Lender shall fail to make available to the applicable Funding Agent any funds in connection with any Class A Advance, any other Class A Non-Conduit Lender in the same Funding Group (or any other Class A

Non-Conduit Lender in any other Funding Group) may, in its sole discretion, make available to the Administrative Agent any such funds without regard to the pro rata provisions of this Agreement and without regard to the Class A Non-Conduit Lender Commitment of such Non-Conduit Lender, each of which shall be deemed to be adjusted to reflect such Advance without any act of any Person being necessary therefor; and

(ii) if a Class B Non-Conduit Lender shall fail to make available to the applicable Funding Agent any funds in connection with any Class B Advance, any other Class B Non-Conduit Lender in the same Funding Group (or any other Class B Non-Conduit Lender in any other Funding Group) may, in its sole discretion, make available to the Administrative Agent any such funds without regard to the pro rata provisions of this Agreement and without regard to the Class B Non-Conduit Lender Commitment of such Non-Conduit Lender, each of which shall be deemed to be adjusted to reflect such Advance without any act of any Person being necessary therefor.

(c) Notwithstanding the provisions of subsection (a) of this Section 2.3 above, the following funding and funds release procedures shall apply to Additional Advances requested to finance the Borrower's acquisition, directly or indirectly, of one or more anticipated Additionally Financed Aircraft, as described on the related Additional Advance Request (and references below to such acquisitions, shall be deemed to refer to the Borrower indirect acquisition through one or more Borrower Subsidiaries of such Aircraft).

(i) The Borrower's Additional Advance Request, in addition to containing the other information required for Additional Advance Requests described in Section 2.2(b), (A) shall identify the amount of Advance proceeds initially deposited into the Borrower Funding Account to be transferred to the London Holding Account and/or the Hong Kong Holding Account (or if no such funds are to be so transferred, shall specifically so indicate), and (B) shall identify, with the greatest specificity feasible, the date or dates (any of which shall be a Business Day), not less than three, and not more than eight, Business Days from the date

that the Borrower delivers such Advance Request (such period, the "Holding Period"), that the Borrower anticipates that the conditions precedent to funding against each proposed Additionally Financed Aircraft set forth in Sections 7.2 and 7.5 shall be satisfied as to each such requested Aircraft.

(ii) Based upon such Additional Advance Request containing the information set forth in clause (i) of this subsection (c) (and the borrowing base certification referred to in Section 2.2(b) above), and subject to the limitations set forth in Section 2.1 and Section 2.2, each Funding Agent, based on the respective fundings made by the applicable Conduit Lender[s] (if any) and/or Non-Conduit Lenders in its Funding Group, shall by wire transfer, make the entire proceeds of such requested Additional Advance available in the Deutsche Bank "Trust and Securities Services Account" (following which the Collateral Agent/Account Bank shall immediately transfer such funds to the Borrower Funding Account) in same day funds no later than 12:30 p.m., New York time, on the third Business Day following delivery of the related Additional Advance request. The Funding Agent (through the receipt of funds from the related Lenders) is to make such proceeds available in the Borrower Funding Account notwithstanding that the

funding conditions set forth in Section 7.2 and 7.5 for acquisition of an Additionally Financed Aircraft shall not yet have been satisfied in respect of all or any portion of the anticipated Additionally Financed Aircraft. The respective amounts so advanced by the Lenders through the related Funding Agent shall be based on the applicable Borrowing Bases certified to by the Borrower as part of the related Additional Advance Request (and assuming that all proposed Aircraft become Funded Aircraft by the end of the Holding Period). Such Advances by the Lenders shall constitute Advances for all purposes hereunder on and as of the date made, notwithstanding that any one or more of the proposed Aircraft may not become Additionally Financed Aircraft during the Holding Period.

(iii) Following receipt of such Advances in the Borrower Funding Account, if the related Advance Request has so specified, the Account Bank shall transfer on the date of receipt, and without further direction or authorization from the Borrower, any Funding Agent or the Administrative Agent required, the specified amount of funds to the London Holding Account and/or the Hong Kong Holding Account, as applicable.

(iv) On any Business Day during the Holding Period, and while funds from the above-described Advances remain within the Borrower Funding Account, London Holding Account or Hong Kong Holding Account, as the case may be, the Borrower may request a release of funds from such account to it or at its direction, for the purpose of financing a portion of the acquisition cost of one or more of the Aircraft described in the Additional Advance Request. The Borrower shall make such request by giving notice (herein called a "Holding Period Release Request") to the Administrative Agent for the requested release of funds not later than 10:00 a.m., New York time, on the requested date of funding, which (A) shall be a Business Day, and (B) shall be a day within the Holding Period. The Holding Period Release Request (1) shall include the date and amount of such desired release of funds, (2) shall specify the applicable account or accounts from which such release shall occur, (3) shall specify wire transfer instructions for the delivery of released funds to their intended recipient, (4) shall specify a time for such release to occur (or otherwise indicate a manner for communicating such time of release mutually acceptable to the Borrower and the Administrative Agent), subject to the limitations of clause (v) immediately below, (5) shall indicate that such release is for the purpose of funding a direct acquisition of one or more of the Additionally Financed Aircraft identified in the related Additional Advance Request (and specifically identify the Aircraft to be funded with each requested release), and (6) shall contain a borrowing base certification satisfactory to the Administrative Agent, setting forth the information required therein. Each Holding Period Release Request shall be for an aggregate amount of at least $1,000,000, but not exceeding the proceeds of the related Advances held on deposit in the applicable account.

(v) Assuming compliance with the foregoing notice procedures and the satisfaction of each of the conditions precedent to an Additional Advance for the purpose of acquiring an Additionally Financed Aircraft under Section 7.2 and the conditions set forth in Section 7.5, the Administrative Agent shall (A) in the case of transfers from the Borrower Funding Account, instruct the Account Bank to transfer the requested funds to

the specified recipient account, at the time the Borrower has requested that such transfer be made pursuant to the Holding Period Release Request (but in no event later than 4 p.m., New York time, on the requested date), and the Account Bank hereby agrees to comply with such instruction; *provided*, *however*, that each of the parties hereto understands and agrees that in the event that the Administrative Agent does not provide written notification to the Collateral Agent and Account Bank by 2 p.m. New York time stating that no such transfer instructions shall be delivered on that date, any funds in the Borrower Funding Account may remain uninvested until the next succeeding Business Day, and (B) in the case of transfers from the London Holding Account or the Hong Kong Holding Account, instruct the London Account Bank and/or the Hong Kong Account Bank, consistent with its authorizations to do so in the related Holding Account Control Agreements, to transfer the requested funds to the specified recipient account, at the time the Borrower has requested that such transfer be made pursuant to the Holding Period Release Request (but in no event later than the time specified in the applicable Holding Account Control Agreement on the requested date).

(vi) The Borrower may at any time and, if the Borrower fails to do so after the Holding Period ends, the Administrative Agent shall, direct the London Account Bank and/or Hong Kong Account Bank to transfer funds remaining on deposit in the London Holding Account and/or the Hong Kong Holding Account back to the Borrower Funding Account, and direct the Account Bank to transfer (following receipt of the funds transfers referred to above into the Borrower Funding Account,

if applicable) all funds remaining in the Borrower Funding Account after the Holding Period ends to the applicable Funding Agent for the account of the each Lender in repayment of the related Advances not invested in an Aircraft acquisition, pro rata based on the respective proportionate amount of such Advances initially funded. Any outstanding accrued interest on such repaid Advances, together with breakage amounts, if any, that may be owing in respect of such repayment pursuant to Section 6.4, will be payable by the Borrower on the next Payment Date following the calendar month in which such repayment occurs, pursuant to the Flow of Funds, and need not be paid by the Borrower concurrently with such repayments

(vii) Notwithstanding the foregoing provisions of this subsection (c), the Borrower will not be permitted to use the funding mechanisms contemplated in the London Holding Account and the Hong Kong Holding Account until the applicable account has been established and made subject to a Holding Account Control Agreement, and until the Borrower has procured a legal opinion, addressed to the Administrative Agent and the Collateral Agent and in form and substance reasonably satisfactory to the Administrative Agent, to the effect that the Collateral Agent has, pursuant to the Holding Account Control Agreement or otherwise, a valid, perfected (to the extent such concept applies under applicable law governing the Holding Account Control Agreement), enforceable first priority security interest in, pledge of, lien on or charge over, the London Holding Account or Hong Kong Holding Account, as applicable.

SECTION 2.4 Representation and Warranty. Each request for an Advance pursuant to Section 2.2 or delivery of a Holding Period Release Request shall automatically constitute a

representation and warranty by the Borrower to the Administrative Agent, the Funding Agents and the Lenders that, on the date of such Advance or the date of release of funds contemplated in the Holding Period Release Request, and after giving effect to such Advance or release and the consummation of the transactions contemplated in the making of such Advance or release, (a) the representations and warranties contained in Article IX will be true and correct as of the date of such Advance and such release, as applicable, as though made on such date (except, that any such representations or warranties expressly stated by their terms to be made only at or as of one or more particular dates or times, shall be made only at or as of such specified dates or times and are not so automatically repeated), (b) no Default, Event of Default, Early Amortization Event, or event that would constitute an Event of Default or Early Amortization Event but for the passage of time or the giving of notice or both has occurred and is continuing or will result from the making of such Advance and such release, as applicable, and (c) after giving effect to such requested Advance and such release, as applicable:

(i) the Outstanding Class A Principal Amount hereunder shall not exceed the Maximum Class A Principal Amount;

(ii) the Outstanding Class B Principal Amount hereunder shall not exceed the Maximum Class B Principal Amount; and

(iv) the Outstanding Principal Amount hereunder shall not exceed the Maximum Aggregate Principal Amount.

SECTION 2.5 Notes. (a) The Borrower shall, on the Initial Advance Date, execute and deliver a Note to each Funding Agent if and to the extent requested to do so by such Funding Agent. The Borrower shall promptly execute and deliver a Note to each new Funding Agent that requests a Note after the Closing Date. All Notes (under and as defined in the Original Agreement) delivered by the Borrower on the Original Closing Date shall be returned to the Borrower, or its designee, on the Closing Date.

(b) The Advances and Yield thereon related to a Funding Group shall at all times (including after assignment pursuant to Section 15.1), to the extent a Note has been requested by a Funding Agent, be represented by such Note and/or a replacement Note therefor, payable to the order of the applicable requesting Funding Agent, for the benefit of the Lenders in such Funding Agent's Funding Group. The Borrower hereby irrevocably authorizes each Funding Agent holding a Note to make (or cause to be made) appropriate notations on the grid attached to its Note (or on any continuation of such grid, or at any Lender's option, in its records), which notations, if made, shall evidence, inter alia, the date of, the outstanding principal of, and the Lender Rate and Interest Period applicable to, the Advances evidenced thereby. Such notations shall be conclusive and binding for all purposes absent manifest error; provided, however, that the failure to make any such notations shall not limit or otherwise affect any Obligations of the Borrower. Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing indebtedness of the Borrower to such bank resulting from each Loan of such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time under this Agreement.

(c) With respect to each Funding Agent that shall not have requested a Note, the Funding Agent shall maintain a register pursuant to Section 15.5(a) and a subaccount therein for each Lender in its related Funding Group, in which shall be recorded (i) the amount of each Advance made by such Lenders hereunder, and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to such Lender hereunder and (iii) both the amount of any sum received by the Funding Agent hereunder from the Borrower and each such Lender's share thereof.

The entries made in such register and the accounts of each such Lender maintained pursuant to subsection (c) of this Section 2.5 shall, to the extent permitted by applicable law, be prima facie evidence of the existence and amounts of the obligations of the Borrower therein recorded; provided, however, that the failure of any such Lender or its Funding Agent to maintain the register or any such account,

or any error therein, shall not in any manner affect the obligation of the Borrower to repay (with applicable interest) the Advances actually made to the Borrower by such Lender in accordance with the terms of this Agreement.

ARTICLE III

YIELD, FEES, ETC.

SECTION 3.1 Yield.

(a) Payment. The Borrower hereby promises to pay Yield on the unpaid principal amount of each Advance (or each portion thereof) for the period commencing on the date of such Advance until the date such Advance is paid in full.

(b) Maximum Yield. No provision of this Agreement or any Note shall require the payment or permit the collection of Yield in excess of the maximum permitted by applicable law.

SECTION 3.2 Yield Payment Dates. Yield accrued on (i) each Advance shall be payable on each Payment Date and (ii) the amount of Advances being repaid or prepaid on any other Settlement Date shall be paid on such Settlement Date.

SECTION 3.3 [Reserved].

SECTION 3.4 Fees. The Borrower agrees to pay to the Administrative Agent certain Fees in the amounts and on the dates set forth in the amended and restated letter agreement between the Administrative Agent and the Borrower dated as of the date hereof (as the same may be amended, restated, supplemented or otherwise modified pursuant to its terms, the "Fee Letter").

SECTION 3.5 Computation of Yield. All Yield hereunder shall be computed on the basis of a year of 360 days, except that Yield computed by reference to the Alternate Base Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Yield with respect to each Funding Group shall be determined by

the Funding Agent for such Funding Group in accordance with the provisions of this Agreement and such determination shall be conclusive absent manifest error.

ARTICLE IV

REPAYMENTS, PREPAYMENTS AND PAYMENTS

SECTION 4.1 Required Principal Repayments.

(a) Payment Dates. On each Payment Date occurring on or after the Conversion Date, the Borrower shall be required to make the principal payments required under the Flow of Funds (including as a result of the allocation and application of Collections derived from the sale or other disposition, voluntary or involuntary, of an Aircraft or Aircraft Owning Entity) in reduction of the aggregate Outstanding Principal Amount to the extent of funds available to make such payments pursuant to the Flow of Funds.

(b) Facility Termination Date. The aggregate Outstanding Principal Amount shall be due and payable in full on the Facility Termination Date.

SECTION 4.2 Principal Prepayments.

(a) Voluntary Prepayment. The Borrower may voluntarily prepay the outstanding principal amount of the Advances, in whole or in part; provided, however, that:

(i) all such voluntary prepayments shall require at least three (3) Business Days' prior written notice to the Administrative Agent and each Funding Agent;

(ii) all such voluntary partial prepayments shall be in a minimum amount of $1,000,000 (unless such payment results in a repayment in full); and

(iii) all such voluntary prepayments shall be paid (x) prior to the Conversion Date, *pro rata* to the Lenders based upon the respective outstanding Advances funded by such Lenders and (y) on and after the Conversion Date, into the Collection Account and applied in accordance with the terms of the Flow of Funds on the next Payment Date.

(b) Mandatory Prepayments. Upon the sale, transfer or other disposition of any Aircraft, or any Equity Interest in any Aircraft Owning Entity or Owner Participant to a Person that is not a Borrower Group Member, by the Borrower or any Borrower Subsidiary (including, without limitation, in connection with the consummation of any ABS Transaction or any other refinancing by the Borrower), the Borrower shall forthwith deposit into the Collection Account an amount equal to the net proceeds of such sale or disposition (together with all amounts maintained in the Maintenance Reserves Account and the Security Deposit Account attributable to such Aircraft or Equity Interest, that are not payable to the applicable Lessee or seller of such Aircraft or Equity Interest), which amounts shall be applied in accordance with the Flow of Funds hereof on the next Payment Date after such sale, transfer or other disposition.

Upon the occurrence of an Event of Loss with respect to any Aircraft, the Borrower shall, on the first

Payment Date following the receipt of any insurance, condemnation or other proceeds (including any Lessee or other third party payments and all amounts maintained in the Maintenance Reserves Account and the Security Deposit Account attributable to such Aircraft that are not required to be returned to the Lessee in accordance with the terms of the Lease) in respect of such Event of Loss, deposit into the Collection Account an amount equal to the then Allocable Advance Amount of such Aircraft (determined as of the date of such Event of Loss), which amount shall be applied in accordance with the Flow of Funds on the next Payment Date after such deposit.

(c) Breakage. Each prepayment under this Section 4.2 shall be subject to the payment of any breakage cost amounts required by Section 6.4 resulting from such prepayment; provided that there shall be no breakage costs for prepayments occurring on any Payment Date.

SECTION 4.3 Payments Generally. Subject to, and in accordance with, the provisions of this Agreement, all payments of principal of, or Yield on, the Advances shall be made (whether pursuant to the Flow of Funds or otherwise) no later than 2:00 p.m., New York time, on the day when due in lawful money of the United States of America in same day funds to the applicable Funding Agent, to one or more accounts designated by the UBS Funding Agent, in the case of the UBS Funding Group, or to one or more accounts designated by an Other Funding Agent, in the case of an Other Funding Group, or such other account as the applicable Funding Agent shall designate in writing to the Borrower and the Administrative Agent not fewer than three (3) Business Days prior to the intended effective date of any such designation. Funds received by the applicable Funding Agent after 2:00 p.m., New York time, on the date when due, will be deemed to have been received by the applicable Funding Agent on its next following Business Day. It is understood that payments made by the Borrower to a Funding Agent or the Administrative Agent in accordance with this Agreement constitute, when made and received, a discharge and satisfaction of the Borrower's corresponding obligation to the applicable Lender hereunder.

SECTION 4.4 Sharing of Set-Off. If any Class A Lender or Class B Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain, at any time, payment in respect of any principal of, or Yield on, any of its Advances or other Obligations resulting in such Lender receiving payment of a proportion of the aggregate amount of its Advances and accrued Yield thereon or other Obligations greater than it would have been entitled to receive as provided herein, then such Lender shall (a) notify the Administrative Agent and each Funding Agent of such fact, and (b) purchase (for cash at face value) participations in the Class A Advances or Class B Advances, respectively, and such other Obligations of the other Class A Lenders or Class B Lenders, respectively, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by such Lenders, respectively, ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Class A Advances or Class B Advances and other amounts owing them as provided herein, provided that:

(i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(ii) the provisions of this paragraph shall not be construed to apply to (x) any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or (y) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Advances to any assignee or participant, other than to the Borrower or any Subsidiary thereof (as to which the provisions of this paragraph shall apply).

The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under any applicable Requirement of Law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation. If under applicable bankruptcy, insolvency or any similar law any Lender receives a secured claim in lieu of a setoff or counterclaim to which this paragraph applies, such Lender shall, to the extent practicable, exercise its rights in respect of such secured claim in a manner consistent with the rights to which the Lender is entitled under this paragraph to share in the benefits of the recovery of such secured claim.

ARTICLE V

LIQUIDITY RESERVE

SECTION 5.1 Establishment of Liquidity Reserve Account.

(a) Liquidity Reserve. On or prior to the Initial Advance Date, the Borrower shall have opened an account (number 51949) in the name of the Borrower maintained with the Account Bank (the "Liquidity Reserve Account") and deposited into such Liquidity Reserve Account an amount at least equal to the Initial Required Liquidity Reserve Amount as of such Initial Advance Date (and after giving effect to the Initial Advances to be funded on such date). Such amounts may be funded with the proceeds of Class B Advances.

(b) Maintenance of Reserves. The Collateral Agent shall take all actions as shall be reasonably necessary to preserve, protect, maintain or enforce its rights with respect to the Liquidity Reserve Account.

(c) Provisions Applicable to Reserve Accounts. The following provisions will apply to the Liquidity Reserve Account established pursuant to Section 5.1(a):

(i) The Liquidity Reserve Account shall be subject to the control provisions of the Security Trust Agreement, and neither the Borrower nor any Affiliate, agent, employee or officer of the Borrower shall have any right to withdraw any amount from the Liquidity Reserve Account.

(ii) The taxpayer identification number associated with the Liquidity Reserve Account shall be that of the Borrower and the Borrower will report for federal, state and local income tax purposes the income, if any, earned on funds in the Liquidity Reserve Account.

(iii) All funds on deposit in the Liquidity Reserve Account shall be invested in Eligible Investments as specified by the Borrower in writing to the Account Bank from time to time; provided, that if the Borrower shall fail to specify such Eligible Investments in a timely manner, the Collateral Agent, at the direction of the Administrative Agent, may specify such Eligible Investments. All investments of funds on deposit in the Liquidity Reserve Account shall mature, or may be sold or withdrawn without loss, not later than the Business Day preceding the next Payment Date. Income earned on funds deposited to the Liquidity Reserve Account, if any, shall be transferred by the Account Bank to the Collection Account on the Business Day prior to each Payment Date for distribution pursuant to the Flow of Funds.

(iv) Each of the Borrower and the Administrative Agent hereby agree and acknowledge, notwithstanding the agreements of the Collateral Agent described in this Section 5.1(c), that the Collateral Agent shall retain exclusive dominion and control of the Liquidity Reserve Account.

(d) Liquidity Reserve Draws. (i) To the extent that Available Collections on deposit in the Collection Account on any Payment Date shall be insufficient to pay any of the amounts set forth immediately below which are due or payable on such Payment Date in accordance with the Flow of Funds (the amount by which such funds shall be so insufficient is herein referred to as an "Insufficiency"), the Borrower or, if the Borrower fails to do so, the Collateral Agent (at the written direction of the Administrative Agent), shall make a draw upon the Liquidity Reserve Account in an amount equal to the lesser of (i) the amount then available to be drawn under the Liquidity Reserve Account and (ii) the applicable Insufficiency. If the Borrower has made such draw, it shall deposit the proceeds thereof into the Collection Account and (whether the Borrower or the Collateral Agent has made such draw) the Collateral Agent shall apply, to the extent possible, the proceeds of such draw to the amounts set forth below which shall be due or payable on such Payment Date but are not as a result of the Insufficiency being otherwise paid, in the order of priority set forth below:

(A) to the Collateral Agent in payment in full of all accrued Collateral Agent Fees and Expenses;

(B) pro rata (1) to the counterparties on any Hedge Agreements for the hedge payments due from the Borrower thereunder (other than termination payments), if any, and (2) ratably to each Class A Funding Agent, any Yield due under this Agreement in respect of outstanding Class A Advances funded by such Class A Funding Agent's Class A Funding Group (it being agreed that each Class A Funding Agent shall distribute any such Yield received to the Lenders in its Funding Group on a pro rata basis based upon the outstanding principal amount of Advances funded by such Lenders);

(C) pro rata, (1) to each Class A Funding Agent in respect of outstanding Class A Advances funded by such Funding Agent's Funding Group, in the amount of the Class A Borrowing Base Deficiency on such Payment Date (it being agreed that each Class A Funding Agent shall distribute any such amount received to the Lenders in its Funding Group on a pro rata basis based

upon the outstanding principal amount of Advances funded by such Lenders), and (2) to the counterparties on any Hedge Agreements for the hedge termination payments due from the Borrower thereunder (unless a default by the non-Borrower counterparty has caused the early termination);

(D) ratably to each Class B Funding Agent, any Yield (other than Yield accrued at the Default Rate to the extent in excess of the Yield that would otherwise be payable but for the occurrence and continuance of an Event of Default) due under this Agreement in respect of outstanding Class B Advances funded by such Funding Agent's Funding Group (it being agreed that each Class B Funding Agent shall distribute any such Yield received to the Lenders in its Funding Group on a pro rata basis based upon the outstanding principal amount of Advances funded by such Lenders); and

(E) ratably to each Class B Funding Agent in respect of outstanding Class B Advances funded by such Funding Agent's Funding Group, in the amount of the Class B Borrowing Base Deficiency on such Payment Date (it being agreed that each Class B Funding Agent shall distribute any such amount received to the Lenders in its Funding Group on a pro rata basis based upon the outstanding principal amount of Advances funded by such Lenders).

(ii) Upon the occurrence of an Event of Default, the Collateral Agent (at the direction of the Administrative Agent) shall promptly and, if the Collateral Agent fails to do so, the Administrative Agent may, draw upon the Liquidity Reserve Account in full and immediately deposit into the Collection Account for distribution pursuant to the Flow of Funds on the next Payment Date, an amount equal to the proceeds of such draw minus a holdback amount, if any, specified by the Administrative Agent. To the extent that an Insufficiency shall exist on any Payment Date after the initial holdback (if any) described above, the Collateral Agent (at the direction of the Administrative Agent) shall make a withdrawal from the remaining funds in the Liquidity Reserve Account in an amount equal to the lesser of (i) the amount then available to be withdrawn from the Liquidity Reserve Account and (ii) the amount which, if treated as Available Collections and applied pursuant to the Flow of Funds on such Payment Date, would eliminate the applicable Insufficiency, and shall so apply, to the extent possible, the funds so withdrawn.

(iii) To the extent that the Liquidity Reserve as of any Payment Date prior to the occurrence of an Event of Default (and after giving effect to all allocations under the Flow of Funds and other transactions, if any, to occur on such Payment Date) will exceed the Required Liquidity Reserve Amount, such excess may be released and applied as part of the Available Collections on such Payment Date as set forth in the Flow of Funds.

(e) Any Funds in the Class C Reserve Account (as defined in the Original Agreement) shall be released and applied as part of the Available Collections (as set forth in the Flow of Funds) on the first Payment Date following the Closing Date.

ARTICLE VI

INCREASED COSTS, ETC.

SECTION 6.1 Illegality. Notwithstanding any other provision herein, if the adoption of or any change in any Requirement of Law or in the interpretation or application thereof shall make it unlawful for any Lender to make or maintain Advances as contemplated by this Agreement based upon the Eurodollar Rate ("Eurodollar Rate Advances"), such Lender shall give notice thereof to the Administrative Agent, the applicable Funding Agent and the Borrower describing the relevant provisions of such Requirement of Law, following which (a) the Commitment of a Non-Conduit Lender hereunder to make Eurodollar Rate Advances, and the agreement of any Lender to continue Eurodollar Rate Advances as such, as applicable, shall forthwith be cancelled and (b) such Lender's Advances then outstanding as Eurodollar Rate Advances, if any, shall accrue Yield at the Alternate Base Rate (i) from the next succeeding Payment Date or (ii) on any earlier date as required by law. If any such conversion of any Eurodollar Rate Advance occurs on a day that is not a Payment Date, the Borrower shall pay to such Lender such amounts, if any, as may be required pursuant to Section 6.4.

SECTION 6.2 Increased Costs.

(a) If (i) there shall be any increase in the cost to any Lender or any of its Affiliates, assignees or participants (and any further assignees or participants thereof) or any Person providing such Lender with a liquidity or credit enhancement arrangement (each of the foregoing an "Affected Party") of agreeing to make or making, funding or maintaining any Advance hereunder or (ii) any reduction in any amount receivable in respect thereof or otherwise under this Agreement, and such increased cost or reduced amount receivable is due to either:

(x) the introduction of or any change (including, without limitation, any change by way of imposition or increase of reserve requirements) in or in the interpretation of any law, regulation or accounting principle after the Original Closing Date (other than in respect of Taxes and other amounts addressed by Section 6.3); or

(y) the compliance with any guideline or request from any central bank or other Government Entity (whether or not having the force of law),

then the Borrower shall from time to time, on the first Payment Date occurring at least five (5) Business Days after the Borrower's receipt of written demand by such Affected Party, pay such Affected Party additional amounts sufficient to compensate such Affected Party for such increased cost or reduced amount receivable.

(b) If any Affected Party shall have reasonably determined that (i) the applicability of any law, rule, regulation or guideline adopted after the Original Closing Date, or the initial implementation after the Original Closing Date of any such law, rule, regulation or guideline adopted but not initially implemented prior to the Original Closing Date, pursuant to or arising out of (A) the July 1988 paper of the Basel Committee on Banking Regulations and Supervisory Practices entitled "International Convergence of Capital Measurement and Capital Standards," or

(B) the proposal for New Basel Capital Accord issued by the Basel Committee on Banking Supervision (as revised from time to time, the "New Accord"), or (ii) the adoption of any other law, rule, regulation or guideline after the Original Closing Date regarding capital adequacy, or the initial implementation after the Original Closing Date of any such law, rule, regulation or guideline adopted but not initially implemented prior to the Original Closing Date, and in either case affecting such Affected Party (including, but not limited to, any rule to be so adopted or so implemented with respect to recourse, residuals, liquidity commitments or direct credit substitutes, referred to hereinafter as the "New Rules"), or (iii) any change arising in the foregoing or in the interpretation or administration of any of the

foregoing by any Government Entity, central bank or comparable agency charged with the interpretation or administration thereof, or (iv) compliance by such Affected Party (or any lending office of such Affected Party), or any holding company for such Affected Party which is subject to any of the capital requirements described above, with any request or directive of general application issued regarding capital adequacy (whether or not having the force of law) of any such Government Entity, central bank or comparable agency has or would have the effect of reducing the rate of return on such Affected Party's capital or on the capital of any such holding company as a direct consequence of such Affected Party's obligations hereunder or arising in connection herewith to a level below that which such Affected Party or any such holding company could have achieved but for such adoption, change or compliance (taking into consideration such Affected Party's policies and the policies of such holding company with respect to capital adequacy) by an amount deemed by such Affected Party to be material, then from time to time such Affected Party may request the Borrower to pay to such Affected Party such additional amounts as will compensate such Affected Party or any such holding company for any such reduction suffered.

(c) If as a result of any event or circumstance similar to those described in Section 6.2(a) or Section 6.2(b), any Affected Party is required to compensate a bank or other financial institution providing liquidity support, credit enhancement or other similar support to such Affected Party (whether directly or through a participation) with respect to amounts similar to those described in Section 6.2(a) or Section 6.2(b) in connection with this Agreement or the funding or maintenance of Advances hereunder, then within ten days after demand by such Affected Party, the Borrower shall pay to such Affected Party such additional amount or amounts as may be necessary to reimburse such Affected Party for any amounts paid by it. The Borrower acknowledges to each Lender that such Lender is providing no assurance that the committed liquidity support provided with respect to this Agreement will be assigned a zero percent credit-conversion factor under risk-based capital guidelines adopted by applicable bank regulatory authorities in response to the framework therefor announced in July, 1988 by the Basel Committee on Banking Regulations and Supervisory Practices or in response to the New Accord or under the New Rules. Notwithstanding the foregoing, no amount shall be payable under this subsection (c) except to the extent the affected bank or other financial institution providing the aforementioned support is a party to this Agreement as a Lender and is accordingly subject to the same provisions and restrictions applicable herein to a Lender party hereto (including without limitation, the provisions of Sections 6.2, 6.5 and 6.6 with respect to any claims made under this subsection (c).

(d) Any failure or delay on the part of any Affected Party to demand compensation pursuant to clause (a), (b) or (c) of this Section 6.2 shall not constitute a waiver of such Affected

Party's right to demand such compensation; provided, that the Borrower shall not be required to compensate an Affected Party pursuant to such clauses of this Section 6.2 for any increased costs incurred or reductions suffered more than 120 days prior to the date that such Affected Party notifies the Borrower of the event or events giving rise to such increased costs or reductions and of such Affected Party's intention to claim compensation therefor (except that, if such event or events have a retroactive effect, then the 120 day period referred to above shall be extended to include the period of retroactive effect thereof).

(e) The Borrower shall pay to any Lender, so long as such Lender shall be required under regulations of the Board of Governors of the Federal Reserve System to maintain reserves with respect to liabilities or assets consisting of or including Eurocurrency Liabilities, additional Yield on the unpaid Eurodollar Rate Advances of such Lender during each Interest Period, for such Interest Period, at a rate per annum equal, at all times during such Interest Period, to the remainder obtained by subtracting (i) the Eurodollar Rate for such Interest Period from (ii) the rate obtained by dividing such Eurodollar Rate referred to in clause (i) above by that percentage equal to 100% minus the Eurodollar Rate Reserve Percentage of such Lender for such Interest Period, payable on each date on which Yield is payable on such Advances. Such additional Yield shall be determined by such Lender and notice thereof (accompanied by a statement setting forth the basis for the amount being claimed) given to the Borrower through the applicable Funding Agent within thirty (30) days after any Yield payment is made with respect to which such additional Yield is requested. Such written statement shall, in the absence of manifest error, be conclusive and binding for all purposes.

SECTION 6.3 Taxes.

(a) All payments made by the Borrower under this Agreement shall be made free and clear of, and without deduction or withholding for or on account of, any present or future Taxes now or hereafter imposed, levied, collected, withheld or assessed by any Government Entity, excluding income, gross receipts, franchise, net worth, doing business and similar Taxes imposed on, respectively, the Administrative Agent, the Collateral Agent, any Funding Agent or any Lender as a result of a present or former connection between, respectively, the Administrative Agent, the Collateral Agent, such Funding Agent or such Lender and the jurisdiction of the Government Entity imposing such tax or any political subdivision or taxing authority thereof or therein (other than any such connection arising solely from the respective Administrative Agent, Collateral Agent, Funding Agent or Lender having executed, delivered or performed its obligations or received a payment under, or enforced, this Agreement). If any such non-excluded Taxes ("Non-Excluded Taxes") are required to be withheld from any amounts payable to the Administrative Agent, the Collateral Agent, any Funding Agent or any Lender hereunder, respectively (each a "Section 6.3 Indemnitee"), the amounts so payable to such Section 6.3 Indemnitee shall be increased to the extent necessary to yield to such respective Section 6.3 Indemnitee (after payment of all Non-Excluded Taxes) interest or any such other amounts payable hereunder at the rates or in the amounts specified in or pursuant to this Agreement; provided, however, that the Borrower shall not be required to increase any such amounts payable to any Section 6.3 Indemnitee to the extent imposed as a result of the failure of any such Section 6.3 Indemnitee, or in the case of any amounts payable by any Funding Agent, any related Lender, to comply with the requirements of paragraph (b) of this Section 6.3 or as a

result of such Lender failing to be a Qualifying Lender; provided further, that the immediately preceding proviso shall not apply, and the

Borrower's obligations to make increased payments to any Section 6.3 Indemnitee pursuant to this Section 6.3(a) shall continue to apply, to the extent that any such noncompliance or the failure to be a Qualifying Lender is attributable to (x) a change in applicable law or regulation or in the interpretation thereof, or the introduction of any law or regulation, in either case that occurs after the Original Closing Date or later date on which a respective Section 6.3 Indemnitee becomes a party hereto, or (y) the existence or exercise of the rights of the Borrower or AMS AerCap described in Section 2.1(j). Whenever any Non-Excluded Taxes are payable by the Borrower, as promptly as possible thereafter, the Borrower shall send to the Administrative Agent, the Collateral Agent and each applicable Funding Agent for their respective accounts or for the account of the applicable Lender, as the case may be, a certified copy of an original official receipt (or other evidence reasonably satisfactory to such Person) received by the Borrower showing payment thereof. If the Borrower fails to pay any Non-Excluded Taxes when due to the appropriate taxing authority or fails to remit to the Administrative Agent, the Collateral Agent or the applicable Funding Agent, as the case may be, the required receipts or other required documentary evidence, the Borrower shall indemnify the Administrative Agent, the Collateral Agent and the Lenders for any incremental Taxes, interest or penalties (and related costs) that may become payable, respectively, by the Administrative Agent, the Collateral Agent or any Lender as a result of any such failure. The agreements in this Section 6.3 shall survive the termination of this Agreement and the payment of all other amounts payable hereunder.

(b) Each Section 6.3 Indemnitee shall, to the extent it may lawfully do so, deliver to the Borrower, or to the Funding Agent for each Funding Group in the case of any Lender (in such number of copies as shall be requested by the recipient), on or prior to the date on which such Person becomes a Lender, Administrative Agent, Collateral Agent or Funding Agent under this Agreement (and from time to time thereafter upon the request of Borrower and each such Funding Agent), but only if such Person is legally entitled to do so**,** any form or information prescribed by applicable Requirements of Law as a basis for claiming exemption from or a reduction in withholding tax duly completed together with such supplementary documentation as may be prescribed by any applicable Requirement of Law to permit the Borrower or any applicable Funding Agent to determine the withholding or deduction required to be made. Each Section 6.3 Indemnitee agrees to take such actions as the Borrower shall reasonably request and as are consistent with applicable Requirements of Law to claim any available reductions or exemptions from Non-Excluded Taxes and to otherwise cooperate with the Borrower to minimize any amounts payable by the Borrower under this Section 6.3, provided that any material costs incurred in taking such actions (including attorneys' fees) shall be for the account of the Borrower. Each Lender further represents that it is a Qualifying Lender as of the Closing Date or other date as of which it becomes a Lender hereunder, and agrees to advise the Borrower reasonably promptly following its becoming aware that it is no longer a Qualifying Lender.

Without limiting the foregoing, each Person that is an assignee pursuant to Article XV shall, upon the effectiveness of the related transfer, be required to provide all of the forms and statements required pursuant to this Section 6.3.

(c) The Borrower agrees to pay any present or future stamp, sales, documentary, filing, registration, excise or property Taxes or any other Taxes, fees, charges or other levies payable, or determined to be payable, in connection with the execution, delivery, filing recording or registration of this Agreement and any other Transaction Documents and agrees to indemnify any Section 6.3 Indemnitee against any liabilities (including related costs) with respect to or resulting from any delay in paying or the omission to pay such Taxes.

(d) The Borrower shall indemnify any Section 6.3 Indemnitee, within ten (10) Business Days after written demand therefor, for the full amount of any Non-Excluded Taxes (including Non-Excluded Taxes imposed or asserted on or attributable to amounts payable under this Section) paid by any such Section 6.3 Indemnitee, and any penalties, interest and reasonable expenses (including costs of contesting such Non-Excluded Taxes) arising therefrom or with respect thereto. A certificate as to the amount of such payment or liability delivered to the Borrower by any Lender (with a copy to the Administrative Agent), by the Collateral Agent or by the Administrative Agent on its own behalf or on behalf of any Lender, setting forth in reasonable detail the manner in which such amount was determined, shall be conclusive absent manifest error.

(e) If any Section 6.3 Indemnitee receives a refund of any Taxes as to which it has been indemnified by the Borrower or with respect to which the Borrower has paid additional amounts pursuant to this Section 6.3, such Section 6.3 Indemnitee shall pay over such refund (net of all out-of-pocket expenses of such Section 6.3 Indemnitee and without interest, other than any interest paid to it with respect to such refund) to the Borrower (but only to the extent of the amounts paid by the Borrower under this Section 6.3 with respect to the Taxes giving rise to such refund, plus any interest received with respect to such refund); provided, that the Borrower, upon the request of any such Section 6.3 Indemnitee, agrees to repay the amount paid over to the Borrower (plus any penalties, interest or other charges imposed) to the Section 6.3 Indemnitee in the event such Section 6.3 Indemnitee is required to repay such refund to any Government Entity. This subsection (e) shall not be construed to require any Section 6.3 Indemnitee to make available its Tax Returns (or any other information relating to its Taxes which it deems confidential) to the Borrower or any other Person.

SECTION 6.4 Indemnity Regarding Breakage Costs. The Borrower hereby agrees to indemnify each Lender and to hold each Lender harmless from any loss (other than loss of Applicable Margin) or reasonable expense which such Lender may sustain or incur as a consequence of (a) default or rescission, as applicable, by the Borrower in making a borrowing of, conversion into or continuation of any Advance hereunder on the date requested after the Borrower has given a notice requesting the same in accordance with the provisions of this Agreement, (b) default by the Borrower in making any prepayment on the date requested after the Borrower has given a notice thereof in accordance with the provisions of this Agreement or (c) the making of a prepayment of Advances on a day which is not the last day of an Interest Period with respect thereto. Such indemnification shall be in an amount equal to the excess, if any, of (i) the amount of interest which would have accrued on the amount so prepaid, or not so borrowed, for the period from the date of such prepayment or of such failure to borrow to the last day of such Interest Period (or, in the case of a failure to borrow, the Interest Period that would have commenced on the date of such failure) in each case at the applicable rate of interest for

such Advances provided for herein (minus the Applicable Margin) over (ii) the amount of interest (as determined by such Lender) which would have accrued to such Lender on such amount by placing such amount on deposit for a comparable period with leading banks in the interbank eurodollar market. This covenant shall survive the termination of this Agreement and the payment of all other amounts payable hereunder.

SECTION 6.5 Notice of Amounts Payable. In the event that any Lender becomes aware that any amounts are or will be owed to it pursuant to Section 6.1, 6.2 or 6.3(a), then it shall promptly notify the Borrower thereof; provided that any failure to provide such notice shall not affect the Borrower's obligations hereunder or under the other Transaction Documents or result in any liability of or on the part of such Lender. The amounts set forth in such notice shall be conclusive and binding for all purposes absent manifest error.

SECTION 6.6 Mitigation Obligations; Replacement.

(a) If any Lender or any of its Affiliates requests compensation under Section 6.2, or requires the Borrower to pay any additional amount to such Lender, any of its Affiliates or any Governmental Entity for the account of such Lender or any of its Affiliates pursuant to Section 6.3, then such Lender (an "Affected Lender") shall use reasonable efforts to designate a different lending office for funding or booking its Advances hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Affected Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 6.2 or 6.3, as the case may be, in the future and (ii) would not subject such Affected Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Affected Lender (other than in a *de minimus* manner). The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Affected Lender in connection with any such designation or assignment. A certificate setting forth such costs and expenses submitted by such Affected Lender to the Borrower shall be conclusive absent manifest error.

(b) Notwithstanding anything to the contrary contained herein, prior to the occurrence of any Event of Default or Early Amortization Event hereunder, the Borrower shall have the right to replace an Affected Lender which has not completed one of the mitigating actions described in subsection (a) of this Section 6.6 resulting in the elimination of any amounts payable pursuant to Section 6.2 or 6.3 within 60 days of becoming an Affected Lender hereunder (each such Affected Lender being so replaced, a "Replaced Lender") with one or more other lending institutions (which may, but need not be, existing Lenders hereunder) reasonably acceptable to the Administrative Agent (any, a "Replacement Lender") that have agreed to purchase the outstanding Advances held by and (as applicable) Non-Conduit Lender Commitments maintained by such Affected Lender, pursuant to Article XV and one or more Assignment and Assumptions; provided that:

(i) each such assignment shall be arranged by the Borrower in coordination with the Administrative Agent; and

(ii) no Replaced Lender shall be obligated to make any such assignment pursuant to this subsection (b) unless and until such Replaced Lender shall

have received one or more payments from the Replacement Lender in an aggregate amount equal to the aggregate outstanding principal amount of the Advances owing to such Replaced Lender, and from the Borrower an aggregate amount equal to all accrued and unpaid interest and fees thereon (including, in any event, any breakage indemnities of the type described in Section 6.4) to the date of such payment and all other amounts payable to such Replaced Lender under this Agreement, including without limitation all amounts which, by virtue of its making claims against the Borrower therefor, caused the Lender to become an Affected Lender hereunder.

Upon the effectiveness of such assignment, the Replacement Lender shall become a Lender hereunder and (except with respect to any indemnities or other amounts payable under this Agreement with respect to events or circumstances arising prior to the replacement of such Replaced Lender, which shall survive as to such Replaced Lender) the Replaced Lender shall cease to constitute a Lender hereunder.

ARTICLE VII

CONDITIONS PRECEDENT

SECTION 7.1A Conditions to Effectiveness. The effectiveness of this Agreement on the Closing Date is subject to the fulfillment of the following conditions precedent:

(a) Deliveries. The Administrative Agent shall have received all of the following, each duly executed, dated the Closing Date (or such later date as specified below, or such earlier date as shall be reasonably satisfactory to the Administrative Agent) and otherwise satisfactory to the Administrative Agent:

(i) Documents. Executed originals of each of this Agreement, a Note with respect to the Class A Advances, a Note with respect to the Class B Advances, and the Fee Letter (collectively, the "New Transaction Documents");

(ii) Resolutions. Certified resolutions of the Boards of Directors of the Borrower and each Service Provider, approving and adopting the New Transaction Documents and the Amendments to be executed by such Person, and

authorizing the execution and delivery thereof;

(iii) Opinions. Favorable opinions of (A) special New York counsel to the Borrower and the Service Providers with respect to (1) the New Transaction Documents being the legal, valid, binding obligations of the Borrower and the Service Providers, enforceable in accordance with their terms, (2) non-contravention and (3) no consents, approvals, authorizations or filings needed, (B) special Irish counsel to the Service Providers with respect to dues incorporation, corporate capacity and due authorization and execution of New Transaction Documents and the Amendments and (C) special Bermuda counsel to the Borrower with respect to general corporate matters, the due authorization, execution and delivery of New Transaction Documents and the Amendments by the Borrower and such other matters with respect to Bermuda law as the Agent may reasonably request;

(iv) Consents. Written consents from Participants with respect to this Agreement and the transactions contemplated hereunder;

(v) Amendments. Amendments (the "Amendments") to the Service Provider Agreements and the Security Trust Agreement addressing (i) the release of the Borrower Subsidiaries that were sold by the Borrower in connection with the Closing Date ABS Transaction shall have been entered into and (ii) changes to evidence the transactions hereunder; and

(vi) Amendment of AerCap Sub Note. An amendment and restatement of the AerCap Sub Note executed on the Original Closing Date which shall increase the purposes for which borrowings thereunder can be made and which postpones the maturity date thereof.

(b) Closing Date ABS Transaction. (i) The ABS Asset Purchase Agreement with respect to the Closing Date ABS Transaction shall have been executed and become effective and shall provide for the sale of at least the greater of (1) 75% of the number of Funded Aircraft as of the Closing Date and (2) Funded Aircraft with an aggregate Adjusted Borrowing Value equal to at least 75% of the aggregate Adjusted Borrowing Value of all Funded Aircraft as of the Closing Date (whether directly or through the sale of beneficial interests in the related Borrower Subsidiaries and whether on the Closing Date or thereafter), (ii) a final executed copy of such ABS Asset Purchase Agreement shall have been delivered to the Administrative Agent and (iii) the first transfer of Aircraft Assets and/or beneficial interests in Borrower Subsidiaries under such ABS Asset Purchase Agreement shall have occurred and the proceeds from such transfer shall have been deposited into the Collection Account.

(c) No Event of Default. No Default, Event of Default, Early Amortization Event (including a Servicer Termination Event), or event that would constitute a Servicer Termination Event or Early Amortization Event but for the passage of time or the giving of notice or both, has occurred and is continuing under the Original Agreement or will result from the effectiveness of this Agreement.

(d) Representations and Warranties. As of the Closing Date, and after giving effect to the transactions contemplated under this Agreement on the Closing Date, the representations and warranties of the Borrower contained in Article IX and of the Service Providers contained in Section 8.3 are true and correct.

(f) Payment of Costs and Expenses. Payment of all costs and expenses (including legal fees) accrued prior to the Closing Date in accordance with Section 17.4 hereof to the extent invoiced or otherwise notified to the Borrower in writing and in a manner and at such time as the Administrative Agent and the Borrower may have agreed.

SECTION 7.1B Conditions to Release of Initial Advances. The availability of the Initial Advance hereunder is subject to the fulfillment of the following conditions precedent (in addition to the conditions precedent specified in Section 7.5):

(a) Original Agreement Refinancing Advance. If the Initial Advance is an Original Agreement Refinancing Advance, after giving effect to the Initial Advance (and for the avoidance of doubt, determining each Borrowing Base for this purpose giving effect to the inclusion of each ABS Subject Aircraft within the Borrower's Portfolio), no Borrowing Base Deficiency will exist (and the Administrative Agent shall have received an Initial Advance Request and borrowing base certification demonstrating the foregoing).

(b) Non-Original Agreement Refinancing Advance. If the Initial Advance is not an Original Agreement Refinancing Advance, each of the conditions precedent specified in Section 7.2 shall have been fulfilled; provided, that for purposes of this Section 7.1B, each reference in Section 7.2 shall to "Additional Advance," "Additional Advance Date," "Additional Advance Request," and "Additionally Financed Aircraft" shall be deemed to be references to "Initial Advance," "Initial Advance Date," "Initial Advance Request," and "Initial Financed Aircraft," as applicable.

SECTION 7.2 Additional Advances. The release of funds to the Borrower from the making of any Additional Advance under this Agreement in connection with the acquisition of an Additionally Financed Aircraft (*i.e.*, not an Improvement Advance, a Critical Mass Event Advance or an Increased Availability Advance) is, in addition to the conditions precedent specified in Section 7.1B and Section 7.5, and subject to the funding and release procedures described in Section 2.3(c), subject to the fulfillment of the following conditions precedent:

(a) No Borrowing Base Deficiency. After giving effect to the Additional Advance and to the related release of funds (and for the avoidance of doubt, determining each Borrowing Base for this purpose giving effect to the inclusion of the incipient Additionally

Financed Aircraft within the Borrower's Portfolio and to the application of all applicable Advance Rate Adjustments), no Borrowing Base Deficiency will exist (and the Administrative Agent shall have received an Additional Advance Request and a Holding Period Release Request, as applicable, containing a borrowing base certification demonstrating the foregoing).

(b) Aircraft and Lessee Limitations. If Critical Mass will exist after giving effect to the Additional Advances or has previously been achieved, the acquisition of the related Additionally Financed Aircraft into the Borrower's Portfolio does not constitute either an Aircraft Limitation Event or a Lessee Limitation Event.

(c) Aircraft Age. Each Additionally Financed Aircraft has an Aircraft Age of less than the Aircraft Age Limit for Aircraft of its Type.

(d) Off-Lease Aircraft. No such Additionally Financed Aircraft to be acquired will be Off-Lease, unless immediately after giving effect to such acquisition, not more than 10% (measured by Adjusted Borrowing Value) of all Aircraft in the Borrower's Portfolio are Off-Lease.

(e) Deliveries. The Administrative Agent shall have received all of the following, each duly executed and dated the related Additional Advance Date or, if later, the date of release of related funds to the Borrower (or such earlier date as shall be satisfactory to the Administrative Agent), and otherwise as indicated below:

(i) Incumbency. Certified specimen signatures of officers of each Borrower Subsidiary that is becoming a Borrower Group Member in connection with such Additional Advance;

(ii) Good Standing. Certificates issued as of a recent date by the Secretaries of State or comparable officials of the respective jurisdiction of formation of each Borrower Subsidiary that is becoming a Borrower Group Member in connection with such Additional Advance, as to the due existence and good standing (to the extent such concept is applicable) of such Person;

(iii) Aircraft Acquisition Documents. Copies of the Aircraft Acquisition Documents in respect of the Additionally Financed Aircraft (which shall have been delivered in final, if available, or in draft form to the Administrative Agent at least five (5) Business Days prior to the applicable Additional Advance Date, except that delivery of a related Lessee insurance certificate shall be governed by the covenant of the Borrower at Section 10.34 hereof;

(iv) Organizational Documents. The Organizational Documents of each Borrower Subsidiary that is becoming a Borrower Group Member in connection with such Additional Advance, certified as of a recent date, and which shall, if permitted under applicable law, contain limitations on purpose and other bankruptcy remoteness provisions reasonably satisfactory to the Administrative Agent;

(v) Operating Documents. Operating Documents of each Borrower Subsidiary that is becoming a Borrower Group Member in connection with such Additional Advance, certified as of the related Additional Advance Date as true and correct, and which shall contain limitations on purpose and other bankruptcy remoteness provisions reasonably satisfactory to the Administrative Agent;

(vi) FAA Counsel Opinions. With respect to each Additionally Financed Aircraft registered in the United States, the favorable written opinion of FAA Counsel that the applicable Aircraft Owning Entity is the registered owner of such Aircraft, that such Aircraft is free and clear of recorded liens, and as to such other matters as the Administrative Agent may reasonably request;

(vii) Local Counsel Opinions. With respect to each Additionally Financed Aircraft that is registered in, or which is under Lease to a Lessee organized under the laws of or domiciled in, a country other than the United States, the favorable written opinion of Local Aircraft Counsel with respect to each Applicable Foreign Aviation Law applicable to such Additionally Financed Aircraft as to (A) the due registration of such Aircraft, and (B) that such Aircraft is free and clear of recorded liens to the extent that liens may be recorded under Applicable Foreign Aviation Law, and

(C) as to such other matters as the Administrative Agent may reasonably request (which request may include, with respect to jurisdictions of concern to the Lenders, an opinion satisfactory to the Administrative Agent advising as to creditor's rights, including rights of recovery and repossession of aircraft), provided, that the Administrative Agent may not exercise such clause (C) right with respect to Applicable Foreign Aviation Law of the countries listed on the current version of the Approved Country List;

(viii) Cape Town Registration Opinions. With respect to each Additionally Financed Aircraft or related Aircraft Asset as to which any of the transactions contemplated in the release of the Additional Advance are creating or assigning international interests that may be registered in the International Registry, a legal opinion addressing the effectiveness and effect of such registrations under the Cape Town Convention, in form and substance satisfactory to the Administrative Agent, provided, that (A) if delivery of such opinion concurrently upon or prior to the release to the Borrower of funds under an Additional

Advance is not feasible after the Borrower's using commercially reasonable efforts to comply with this condition, such delivery shall not be a condition precedent and instead shall be the subject of the Borrower's covenant obligation set forth at Section 10.2, and (B) if the provisions of clause (A) apply to the delivery condition, it shall nonetheless be a condition precedent to the release of funds that the Borrower deliver to the Administrative Agent a draft form of such opinion, substantially in the form to be eventually delivered pursuant to Section 10.2, which draft is in form and substance reasonably satisfactory to the Administrative Agent;

(ix) Security Interest Granted by Non-Irish or Non-U.S. Lessor. With respect to each Additionally Financed Aircraft the Lessor of which is domiciled or otherwise connected with a country other than the United States or Ireland, such that the laws of such country would or could, in the reasonable judgment of the Administrative Agent, govern or establish the perfection and effect of perfection and/or priority of the Collateral Agent's security interest in such Lease granted by the Lessor under the Security Trust Agreement, a legal opinion, in form and substance reasonably satisfactory to the Administrative Agent, addressing and confirming the taking of such actions or making of such filings in such country as would or could govern or establish the perfection and effect of perfection and/or priority of the Collateral Agent's security interest (or confirming that such actions will be taken or filings will be made, to the extent that such actions or filings cannot under applicable law be taken or made prior to the release of funds associated with the related Additional Advance to the Borrower), or the Borrower shall have otherwise confirmed or established, in a manner reasonably satisfactory to the Administrative Agent, that the taking of such actions or making of such filings as are specified in the legal opinion shall have occurred or will occur;

(x) Notice and Acknowledgment. A Notice and Acknowledgment, executed by the applicable Borrower Subsidiary for each Additionally Financed Aircraft and the applicable Lessee, with respect to each of the related Additional Leases;

(xi) Aircraft Insurance. (A) With respect to each of the Additionally Financed Aircraft, and if available as of the Additional Advance Date (and if not then

available the related covenant of the Borrower set forth at Section 10.34 hereof shall apply), certificates of insurance from qualified brokers of aircraft insurance or other evidence reasonably satisfactory to the Administrative Agent, evidencing all insurance required to be maintained by the applicable Obligor under the Lease and/or the applicable Notice and Acknowledgment, in each case, together with all endorsements required under the Transaction Documents and/or the applicable Notice and Acknowledgment, and (B) certificates of insurance from qualified brokers of aircraft insurance or other evidence satisfactory to the Administrative Agent with respect to the Contingent Insurance Policy, together with all endorsements required under the Transaction Documents;

(xii) Lien/Registration Searches. To the extent available under the applicable law, the Administrative Agent shall have received searches of the applicable title and/or lien registration records, in the jurisdiction(s) of registration of the applicable Aircraft;

(xiii) Appraisals. The Administrative Agent shall have received Initial Base Value Appraisals and Initial Current Market Value Appraisal in respect of the Additionally Financed Aircraft; and

(xiv) NY Counsel Opinion. With respect to each Borrower Group Member entering into or becoming party to a Credit Document in respect of or relating to an Additionally Financed Aircraft, a legal opinion of special New York counsel to such Borrower Group Member (which may be the same special New York counsel as delivered the legal opinion referred to in Section 7.1(g)(vi) of the Original Agreement on the Initial Advance Date), addressing substantially the same matters, as to the relevant additional Borrower Group Member(s), as were addressed in respect of Borrower Group Members in the opinion of special New York counsel delivered on the Initial Advance Date.

(f) Financing Statements, Other Registrations, etc.

(i) The Administrative Agent shall have received Uniform Commercial Code financing statements appropriate for filing in all places required by applicable law to perfect the Liens of the Collateral Agent for the benefit of the Lenders under the Transaction Documents as first priority Liens as to the interests in any Borrower Subsidiary that is becoming a Borrower Group Member in connection with such Additional Advance, in which a security interest may be perfected by the filing of financing statements, and such other documents and/or evidence of other actions or registrations as may be necessary under applicable law (including Irish law and the Cape Town Convention) to perfect, within the time period provided for in the Security Trust Agreement, or otherwise ensure the effectiveness of the related Liens of the Collateral Agent for the benefit of the Lenders under the Transaction Documents as first priority Liens (and, in the case of the pledge of equity interests in Borrower Group Members that are organized under the laws of Ireland, the entry into an Irish Pledge with respect to such interests);

(ii) The Borrower shall have delivered to the Collateral Agent all stock certificates and other certificates, if any, evidencing ownership of any Equity Interests in any Borrower Subsidiary that is becoming a Borrower Group Member in connection with such Additional Advance, accompanied in each case by duly executed stock or transfer powers (or other appropriate transfer documents) in blank affixed thereto, in each case if customary under the law of the jurisdiction governing the pledges;

(iii) The Borrower shall have delivered to the Collateral Agent fully executed "control agreements" that have been executed by the respective issuers (and consented to by the Borrower) with respect to any uncertificated Equity Interests of any Borrower Subsidiary that is becoming a Borrower Group Member in connection with such Additional Advance;

(iv) Each of the Aircraft Owning Entities and Owner Participants shall have delivered to the Collateral Agent fully executed "control agreements" with respect to any uncertificated Equity Interests in any Owner Trust, Applicable Intermediary or other Subsidiary, that is becoming a Borrower Group Member in connection with such Additional Advance;

(v) Subject to the provisos below, there shall have been delivered evidence satisfactory to the Administrative Agent of the taking of such actions (including without limitation becoming a "transacting user entity" with the International Registry) and the making of such registrations (including prospective registrations) in the International Registry pursuant to the Cape Town Convention and the International Registry Procedures to obtain the benefits and protections of the Cape Town Convention as may be applicable and available to the transactions contemplated by the Credit Documents as the same relate to the Borrower Acquisition Documents that are the subject of an Advance (which transactions include, without limitation, any sale of the applicable Aircraft on or prior to the Additional Advance Date to AerCap or an Aircraft Owning Entity (any such sale, an "Aircraft Sale")), provided, it is understood that (A) no mortgages are being taken directly on the Aircraft, (B) if a related Lease is not, at the time of the release of proceeds of the Advance to the Borrower, an "international interest" then (without limiting the terms of the second proviso of this clause (v)) it is not a condition precedent to such release of proceeds to undertake the search or any of the registrations described in clause (D) below, (C) except to the extent provided in the second proviso of this clause (v), it shall not be a condition precedent to any funding that any Aircraft Sale be registered as a sale or prospective sale with respect to the applicable Aircraft on the International Registry and (D) where the related Lease is or has become, at the time of the release of such proceeds, an "international interest", it is a condition to the release of such proceeds to the Borrower in respect of the related Advance that (i) a search of the registry with respect to the relevant Aircraft reveals no prior registration of an international interest or sale or prospective international interest or prospective sale with respect to such Aircraft other than the Aircraft Sale to AerCap or the applicable Aircraft Owning Entity (or a sale of the applicable Aircraft to the Person selling such Aircraft to AerCap or the applicable Aircraft Owning Entity or to such Person or to a prior owner of such Aircraft), (ii) the Lessor's interest in the Lease be registered

(including as a prospective interest) as and to the extent necessary to permit timely compliance with the condition in the immediately succeeding clause (iii), and (iii) the Lessor's security assignment of the Lease to the Collateral Agent shall have been registered (including as a prospective interest); and; provided, further, that if an Aircraft Sale constitutes a sale or prospective sale under the Cape Town Convention, it is a condition to the release of such proceeds to the Borrower in respect of the related Advance that (i) a search of the International Registry with respect to the relevant Aircraft reveals no prior registration of an international interest or sale or prospective interest or prospective sale with respect to such Aircraft (other than (i) the Lease if an international interest with respect thereto is registrable under the Cape Town Convention or (ii) the Aircraft Sale to AerCap or the applicable Aircraft Owning Entity (or a sale of the applicable Aircraft to the Person selling such Aircraft to AerCap or the applicable Aircraft Owning Entity or to such Person or to a prior owner of such Aircraft)) and (ii) AerCap shall have used commercially reasonable efforts to cause such Aircraft Sale to be registered as a sale or prospective sale with respect to the Aircraft on the International Registry.

(vi) For each Additional Lease with a Lessor that is organized under the laws of a State (or the District of Columbia) within the United States (within the meaning of Article 9 of the UCC), (A) if such Lease was originated by the Lessor prior to the Original Closing Date, the Borrower shall have delivered to the Collateral Agent, if available, a Chattel Paper Original of the applicable Lease and any related lease amendment or supplement, in each case signed by the Lessee (and complied with the other requirements set forth in the definition of Chattel Paper Original herein), and in any case, if available, a duplicate "hard copy" original thereof signed by the Lessee if available, and (B) if such Lease was originated by the Lessor after the Original Closing Date, the Borrower shall have delivered to the Collateral Agent a Chattel Paper Original of the applicable Lease (together with any related lease amendment or supplement constituting an extension or renewal thereof), in each case signed by the Lessee (and complied with the other requirements set forth in the definition of Chattel Paper Original herein).

(vii) The applicable Borrower Subsidiary owning or to become the owner of the related Funded Aircraft, shall have duly authorized, executed and delivered a "Grantor Supplement" as defined in and as contemplated under the Security Trust Agreement, and the Borrower shall have duly authorized, executed and delivered a related "Collateral Supplement" as defined in and contemplated under the Security Trust Agreement, and such Collateral Supplement shall have been registered in the "Register of Charges" of Bermuda (with a search of such Register of Charges revealing no prior registration with respect to the Collateral that is the subject matter of such Collateral Supplement).

(g) No Proceedings. There exist no proceedings or investigations pending or, to the Borrower's knowledge, threatened, before any court, regulatory body, administrative agency or other tribunal or governmental instrumentality having jurisdiction over the Borrower or any Borrower Subsidiaries or any of their respective properties (A) asserting the invalidity of this

Agreement or any of the other Credit Documents, as the same relate to the Aircraft Acquisition Documents associated with the relevant Additionally Financed Aircraft, (B) seeking to prevent the consummation or performance of any of the transactions contemplated by this

Agreement or any of the other Credit Documents, as the same specifically relate to the rights of the Collateral Agent in the Aircraft Acquisition Documents associated with the relevant Additionally Financed Aircraft, or (C) seeking any determination or ruling that might materially and adversely affect the performance by the Borrower or any Borrower Subsidiaries of its obligations under any of the Credit Documents, as the same specifically relate to the rights of the Collateral Agent in the Aircraft Acquisition Documents associated with the relevant Additionally Financed Aircraft.

(h) Waivers and Consents. All necessary waivers, consents, approvals and authorizations required in connection with the Transaction Documents dated as of the Additional Advance Date and the transactions contemplated therein shall have been delivered.

(i) Reserve Accounts. The Administrative Agent shall have received evidence that the Liquidity Reserve Account shall have been funded so as to equal the Required Liquidity Reserve Amount (after giving effect to the addition of the related Additionally Financed Aircraft to the Borrower's Portfolio), which funding may be derived from the proceeds of Class B Advances.

(j) Certain Events. None of the following events has occurred: (i) any information submitted to the Administrative Agent or any Lender by or on behalf of the Borrower, any Borrower Subsidiary, AerCap or any Service Provider in connection with such Additional Advance or related proposed Additionally Financed Aircraft proves to have been inaccurate or incomplete in any material respect; and (ii) there shall be any pending or threatened litigation or other proceeding (private or governmental) with respect to the Borrower Acquisition Documents relating to the proposed Additionally Financed Aircraft.

(k) Description of Additionally Financed Aircraft, etc. The Administrative Agent shall have received amended and restated copies of Schedule I, Schedule II and Schedule III incorporating all information required thereunder regarding (i) the Additionally Financed Aircraft or interests therein acquired with such Additional Advances, (ii) each Aircraft Owning Entity and, if applicable, Owner Participant and Owner Trustee related to any such Additionally Financed Aircraft, and (iii) the Lease with respect to each Additionally Financed Aircraft.

(l) No Event of Loss. No Event of Loss has occurred with respect to any such Additionally Financed Aircraft as of the Additional Advance Date.

(m) Security Deposits. The Administrative Agent shall have received evidence reasonably satisfactory to it that the Borrower is complying with the covenants applicable to funding of amounts in respect of Security Deposits set forth at Section 8.1(c)(i), to the extent applicable.

(n) No Violation of Law. The consummation of the transactions contemplated by this Agreement and the other Credit Documents and the Borrower Acquisition Documents, as the same relate to the relevant Additionally Financed Aircraft, do not (A) violate in any material respect any law (including, without limitation, any Environmental Law), rule or regulation

applicable to the Borrower or any Borrower Subsidiaries or to such Borrower Acquisition Documents or relevant Additionally Financed Aircraft, or (B) violate any writ, order, judgment or decree binding on or affecting the Borrower or any Borrower Subsidiaries of any court or of any federal or state regulatory body, administrative agency or other governmental instrumentality having jurisdiction over the Borrower or any Borrower Subsidiaries and relating to such Borrower Acquisition Documents or relevant Additionally Financed Aircraft.

SECTION 7.3 Improvement Advances. The making of any Additional Advance under this Agreement constituting an Improvement Advance is, in addition to the conditions precedent specified in Section 7.1B and Section 7.5, subject to the fulfillment of the following conditions precedent:

(a) No Borrowing Base Deficiency. After giving effect to any Improvement Advance (and for the avoidance of doubt, determining each Borrowing Base for this purpose giving effect to the inclusion of the Aircraft as so improved within the Borrower's Portfolio), no Borrowing Base Deficiency will exist (and the Administrative Agent shall have received an Additional Advance Request containing a borrowing base certification demonstrating the foregoing).

(b) Occurrence of Effective Date. The Freighter Conversion Effective Date or Other Improvement Effective Date, as applicable, shall have occurred.

(c) Insurance. Evidence that applicable insurance coverages have been increased to account for the increase in value attributable to the improved Aircraft.

(d) No Mechanics Liens, etc. Evidence reasonably satisfactory to the Administrative Agent that all mechanics, materialmen and other providers of services in connection with the improvement, shall have been paid in full and that no Liens relating to or attributable to such services exist (or any such Liens have been discharged by payment in full).

(e) Reserves. The Liquidity Reserve Account is (or will be, after giving effect to the Improvement Advance) fully funded to the level of the Required Liquidity Reserve Amount.

(f) Update Lien Filings, etc. Evidence that any necessary amendments of filings in any public or aviation Lien records have been made.

(g) Payment Date. The Improvement Advance shall be funded only on a Payment Date.

(g) Deliveries. The Administrative Agent shall have received all of the following, in form and substance satisfactory to the Administrative Agent and such Funding Agent:

(i) Effective Date Deliveries. The documentation contemplated in the definitions of Freighter Conversion Effective Date or Other Improvement Effective Date, as applicable.

(ii) Appraisals. A related Improvement Base Value Appraisal and Improvement Current Market Value Appraisal.

SECTION 7.4 Critical Mass Event Advance; Increased Availability Advance. The making of any Additional Advance under this Agreement constituting a Critical Mass Event Advance or an Increased Availability Advance is, in addition to the conditions precedent specified in Section 7.1B and Section 7.5, subject to the fulfillment of the following conditions precedent:

(a) No Borrowing Base Deficiency. After giving effect to any Critical Mass Event Advance or Increased Availability Advance, no Borrowing Base Deficiency will exist (and the Administrative Agent shall have received an Additional Advance Request and a Monthly Report demonstrating the foregoing).

(b) Number. In the case of a Critical Mass Event Advance, no Critical Mass Event Advance has previously been requested and funded.

(c) Timing. The related Advances are to be funded on a Payment Date.

(d) Critical Mass. Critical Mass or other conditions shall exist, with the result that availability of the Borrowing Base has increased due to a Critical Mass Advance Rate Adjustment or other change in an Advance Rate Adjustment.

(e) Reserves. The Liquidity Reserve Account is (or will be, after giving effect to the Critical Mass Event Advance) fully funded to the level of the Required Liquidity Reserve Amount.

SECTION 7.5 All Advances. The making of the Initial Advance and any Additional Advance under this Agreement is, in addition to the conditions precedent specified in Section 7.1B, Section 7.2, Section 7.3 and Section 7.4 (in each case as applicable), subject to the conditions precedent that:

(a) No Event of Default. No Default, Event of Default, Early Amortization Event (including a Servicer Termination Event), or event that would constitute a Servicer Termination Event or Early Amortization Event but for the passage of time or the giving of notice or both, has occurred and is continuing or will result from the effectiveness of this Agreement or the making of the applicable Advance; and

(b) Representations and Warranties. As of the date of such Advance, and after giving effect to such Advance and the consummation of the transactions contemplated in the making of such Advance, the representations and warranties of the Borrower contained in Article IX and of the Service Providers contained in Section 8.3 are true and correct as of the date of such requested Advance, with the same effect as though made on the date of such Advance (except, that any such representations or warranties expressly stated by their terms to be made only at or as of one or more particular dates or times, shall be made only at or as of such specified dates or times and are not so deemed to be a condition to Advance).

ARTICLE VIII

ADMINISTRATION AND SERVICING OF AIRCRAFT AND LEASES

SECTION 8.1 Collection Procedures.

(a) Administration.

(i) Except as otherwise provided herein or in any other Transaction Documents, the Collections shall be administered by the Service Providers, in accordance with the terms of this Agreement and the terms of the Service Provider Agreements. The Borrower shall provide to the Service Providers on a timely basis all information needed for such administration. The Borrower hereby appoints the Service Providers (to the extent so appointed under the relevant Service Provider Agreement) as its agent to administer the Aircraft, the Leases and the Related Security and collect the Collections in accordance with this Agreement and the Service Provider Agreements.

(ii) AerCap hereby covenants and agrees to act as Servicer under this Agreement and the Servicing Agreement for a term, commencing on the Closing Date and ending on the date of receipt by the Servicer of a notice of termination from the Administrative Agent in accordance with Section 13.2. AerCap hereby agrees that, as of the Closing Date, it shall become bound to continue as the Servicer subject to and in accordance with the other provisions of this Agreement and the Servicing Agreement.

(iii) Each Service Provider agrees that its servicing of the Aircraft Assets shall be conducted in conformance with the applicable Standard of Performance and otherwise in accordance with this Agreement and the relevant Servicer Provider Agreement. Each Service Provider's duties shall be set forth in the relevant Service Provider Agreement.

(b) Change in Payment Instructions to Obligors. Neither the Service Providers nor the Borrower will add or terminate any bank or bank account as an Account Bank, Non-Trustee Account Bank, Collection Account, Security Deposit Account, Maintenance Reserve Account, or Liquidity Reserve Account from those listed in Schedule VI to this Agreement, or make any change in its instructions to Obligors regarding payments to be made under any Lease related to any Aircraft to the Collection Account, a Non-Trustee Account or the Maintenance Reserve Account, unless (i) except in the case of the addition of the Irish VAT Refund Account, the Administrative Agent shall have consented thereto in writing and (ii) the Administrative Agent and the Collateral Agent shall have received notice of such addition, termination or change (including an updated Schedule VI) and a fully executed account control agreement with respect to such bank and/or bank account, in each case, in form and substance satisfactory to the Administrative Agent.

(c) Deposits to Accounts. The Borrower will, or will cause the applicable Service Provider to, (x) direct all Obligors related to Leases of Funded Aircraft to remit all Collections and all payments in respect of Security Deposits with respect to such Aircraft (but not payments in respect of Maintenance Reserves with respect to any Aircraft) to the Collection Account or a

Non-Trustee Account and (y) direct all Non-Trustee Account Banks, if any, to transfer all available funds (other than a nominal amount consented to by the Administrative Agent) in each Non-Trustee Account to the Collection Account at such times and in such a manner as shall be satisfactory to the Administrative Agent. Further, and without limiting the immediately preceding sentence, the Borrower will, or will cause the applicable Service Provider to:

(i) on or prior to each related Advance Date (A) with respect to a Category 2 Aircraft or a Category 3 Aircraft, transfer or otherwise deposit, into the Security Deposit Account, an amount equal to the outstanding balance of the amount of Security Deposit then required under the Lease applicable to such Aircraft, and (B) with respect to a Category 1 Aircraft, and only if the Borrower shall elect to do so in its sole discretion, transfer or otherwise deposit, into the Security Deposit Account, an amount equal to the outstanding balance of the amount of Security Deposit then required under the Lease applicable to such Aircraft;

(ii) at any time after the Advance Date on which an Advance is made with respect to an Aircraft, promptly, and in any event on the Business Day of receipt of any Security Deposit with respect to such Aircraft (x) directly from any Obligor or (y) in the Collection Account, deposit all such Security Deposits to the Security Deposit Account;

(iii) direct all Obligors related to Leases of Aircraft with respect to which an Advance has occurred hereunder to remit any payments in respect of Maintenance Reserves with respect to such Aircraft to the Maintenance Reserve Account; and

(iv) at any time after the Advance Date on which an Advance is made with respect to an Aircraft, promptly, and in any event on the Business Day of the receipt of any Maintenance Reserves with respect to such Aircraft (x) directly from any Obligor or (y) in the Collection Account (and the Borrower's or the Servicer's determination that such funds constitute Maintenance Reserves), deposit all such Maintenance Reserves to the Maintenance Reserve Account.

If the Borrower or any Service Provider shall receive any funds constituting Collections (other than Security Deposits and Maintenance Reserves) directly, it shall promptly (and, in any event, on the Business Day of the Borrower's or the Servicer's receipt of such funds) deposit the same to the Collection Account.

Neither the Borrower nor any Service Provider will deposit or otherwise credit, or cause to be so deposited or credited:

(A) to the Collection Account, cash or cash proceeds other than Collections and Security Deposits relating to the Aircraft;

(B) to the Security Deposit Account, cash or cash proceeds other than Security Deposits relating to the Aircraft (or the related payment

amount in respect of Category 1, Category 2 or Category 3 Aircraft described in subsection (c)(i) of this Section; and

(C) to the Maintenance Reserve Account, cash or cash proceeds other than Maintenance Reserves.

The Borrower and the Service Providers will use commercially reasonable efforts to direct the Collateral Agent to withdraw and transfer to an appropriate account any cash or cash proceeds deposited or otherwise credited:

(A) to the Collection Account, other than Collections and Security Deposits relating to the Aircraft;

(B) to the Security Deposit Account, other than Security Deposits relating to the Aircraft; and

(C) to the Maintenance Reserve Account, other than Maintenance Reserves.

(d) Letters of Credit. In the event a Lessee in accordance with its applicable Lease has procured a letter of credit in lieu of cash funding of its obligations regarding Maintenance Reserves or Security Deposits, (i) the Borrower and the Servicer will maintain access to such letter of credit, and (ii) following the occurrence of an Event of Default, and upon request by the Administrative Agent, the Borrower and the Servicer will each use reasonable commercial efforts to cause the issuing bank to make the Collateral Agent an additional beneficiary of such letter of credit.

(e) Payment Date Distributions. On each Payment Date, all Available Collections will be applied by the Collateral Agent (x) in the case of clause (i) below, in accordance with instructions and directions to the Collateral Trustee set forth on the Monthly Report to be delivered to the Collateral Agent on the related Determination Date (or, if the Collateral Agent fails to do so, by the Administrative Agent), and (ii) in the case of clause (ii) below, in accordance with a written direction received by the Collateral Agent from the Administrative Agent, and in each case as follows (and in the order of priority listed):

(i) so long as no Event of Default has occurred and, in any case, prior to the declaration, or automatic occurrence, of the Facility Termination Date:

(A) to the Collateral Agent in payment in full of all accrued Collateral Agent Fees and Expenses;

(B) ratably to each Class A Funding Agent and Class B Funding Agent (based on outstanding Class A Advances funded by each Class A Funding Agent's Class A Funding Group and on outstanding Class B Advances funded by each Class B Funding Agent's Class B Funding Group), the fees payable pursuant to the Fee Letter in respect of the unused portion of the applicable Non-Conduit Lender Commitment;

(C) pro rata, to the applicable payees, for payment or reimbursement of Borrower Expenses and, during the Amortization Period, for Borrower Income Tax Expenses;

(D) to the applicable Service Providers, in payment in full of their Service Provider Fees with respect to such Payment Date;

(E) pro rata (1) to the counterparties on any Hedge Agreements for the hedge payments due thereunder (other than termination payments), if any, and (2) ratably to each Class A Funding Agent (based on outstanding Class A Advances funded by each Class A Funding Agent's Class A Funding Group), any Yield due under this Agreement in respect of outstanding Class A Advances (it being agreed that each Class A Funding Agent shall distribute any such Yield received to the Lenders in its Funding Group on a pro rata basis based upon the outstanding principal amount of Advances funded by such Lenders);

(F) ratably to the Administrative Agent, the Class A Funding Agents and the Class A Lenders for all costs and expenses and other similar amounts (including, without limitation, any amounts payable under Sections 6.1 through 6.4 hereof and under Section 17.4 hereof) payable to the Administrative Agent, a Class A Funding Agent or a Class A Lender pursuant to the terms of any of the Transaction Documents;

(G) pro rata (1) ratably to each Class A Funding Agent (based on outstanding Class A Advances funded by each Class A Funding Agent's Class A Funding Group), in the amount of the Class A Borrowing Base Deficiency, if any, on such Payment Date (it being agreed that each Class A Funding Agent shall distribute any such amount received to the Lenders in its Funding Group on a pro rata basis based upon the outstanding principal amount of Advances funded by such Lenders), and (2) to the counterparties on any Hedge Agreements for the hedge termination payments, if any, until paid in full;

(H) ratably to each Class B Funding Agent (based on outstanding Class B Advances funded by each Class B Funding Agent's Class B Funding Group), any Yield due under this Agreement in respect of outstanding Class B Advances (it being agreed that each Class B Funding Agent shall distribute any such Yield received to the Lenders in its Funding Group on a pro rata basis based upon the outstanding principal amount of Advances funded by such Lenders);

(I) ratably to the Class B Funding Agents and the Class B Lenders for all costs and expenses and other similar amounts (including, without limitation, any amounts payable under Sections 6.1 through 6.4 hereof and under Section 17.4 hereof) payable to a Class B Funding Agent or a Class B Lender pursuant to the terms of any of the Transaction Documents;

(J) ratably to each Class B Funding Agent (based on outstanding Class B Advances funded by each Class B Funding Agent's Class B Funding Group), in the amount of the Class B Borrowing Base Deficiency on

such Payment Date (it being agreed that each Class B Funding Agent shall distribute any such amount received to the Lenders in its Funding Group on a pro rata basis based upon the outstanding principal amount of Advances funded by such Lenders);

(K) to fund the Liquidity Reserve Account up to the Required Liquidity Reserve Amount;

(L) to the Servicer, for Servicer Advance Reimbursements (together with accrued and unpaid interest thereon);

(M) during the Amortization Period, ratably to each Class A Funding Agent (based on outstanding Class A Advances funded by each Class A Funding Agent's Class A Funding Group), on behalf of the related Class A Lenders, in reduction of the Outstanding Class A Principal Amount, an amount equal to the amount required to reduce the aggregate outstanding principal balance of all Class A Advances as of such Payment Date to the balance that would have resulted as of such Payment Date if the Borrower had made a principal payment in reduction of the Outstanding Class A Principal Amount on each Payment Date on or after the Conversion Date and through, and including, such Payment Date in an amount equal to the aggregate outstanding principal balance of all Class A Advances as of the Conversion Date divided by 120 (the "Class A Scheduled Principal Payment") (it being agreed that each Class A Funding Agent shall distribute any such amount received to the Lenders in its Funding Group on a pro rata basis based upon the outstanding principal amount of Advances funded by such Lenders);

(N) during the Amortization Period, ratably to each Class B Funding Agent (based on outstanding Class B Advances funded by each Class B Funding Agent's Class B Funding Group), on behalf of the related Class B Lenders, in reduction of the Outstanding Class B Principal Amount, an amount equal to the amount required to reduce the aggregate outstanding principal balance of all Class B Advances as of such Payment Date to the balance that would have resulted as of such Payment Date if the Borrower had made a principal payment in reduction of the Outstanding Class B Principal Amount on each Payment Date on or after the Conversion Date and through, and including, such Payment Date in an amount equal to the aggregate outstanding principal balance of all Class B Advances as of the Conversion Date divided by 120 (the "Class B Scheduled Principal Payments") (it being agreed that each Class B Funding Agent shall distribute any such amount received to the Lenders in its Funding Group on a pro rata basis based upon the outstanding principal amount of Advances funded by such Lenders);

(O) during the Amortization Period, ratably to each Class A Funding Agent (based on outstanding Class A Advances funded by each Class A Funding Agent's Class A Funding Group), on behalf of the related Class A Lenders, in reduction of the Outstanding Class A Principal Amount, the amount required to reduce the Outstanding Class A Principal Amount to zero (it being agreed that each Class A Funding Agent shall distribute any such amount received to the Lenders in its Funding Group on a pro rata basis based upon the outstanding principal amount of Advances funded by such Lenders);

(P) during the Amortization Period, ratably to each Class B Funding Agent (based on outstanding Class B Advances funded by each Class B Funding Agent's Class B Funding Group), on behalf of the related Class B Lenders, in reduction of the Outstanding Class B Principal Amount, the amount required to reduce the Outstanding Class B Principal Amount to zero (it being agreed that each Class B Funding Agent shall distribute any such amount received to the Lenders in its Funding Group on a pro rata basis based upon the outstanding principal amount of Advances funded by such Lenders);

(Q) to the Service Providers in payment in full of any expenses and/or indemnification payments payable thereto under the Service Provider Agreements as of the last day of the prior calendar month, to the extent not previously paid under clause (C) above or otherwise;

(R) prior to the Amortization Period, to or at the direction of the Borrower, for Borrower Income Tax Expenses; and

(S) to or at the direction of the Borrower (including to make payments of interest, principal and premium, if any, on one or more AerCap Sub Notes and of accrued interest on the AerCap Liquidity Facility), the remaining portion of such funds, *provided*, that the Borrower may elect, in its sole discretion, to retain all or a portion of such funds in the Collection Account; and

(ii) if an Event of Default has occurred and is continuing or, in any case, after the declaration, or automatic occurrence, of the Facility Termination Date:

(A) to the Collateral Agent in payment in full of all accrued Collateral Agent Fees and Expenses;

(B) ratably to each Class A Funding Agent and Class B Funding Agent (based on outstanding Class A Advances funded by each Class A Funding Agent's Class A Funding Group and on outstanding Class B Advances funded by each Class B Funding Agent's Class B Funding Group), the fees remaining payable pursuant to the Fee Letter in respect of the unused portion of the applicable Non-Conduit Lender Commitment that accrued prior to the Conversion Date;

(C) pro rata, to the applicable payee, for payment or reimbursement of Borrower Expenses and Borrower Income Tax Expenses;

(D) to the applicable Service Providers in payment in full of their Service Provider Fees with respect to such Payment Date;

(E) pro rata (1) to the counterparties on any Hedge Agreements for the hedge payments due thereunder (other than termination payments), if any, and (2) ratably to each Class A Funding Agent (based on outstanding Class A Advances funded by each Class A Funding Agent's Class A Funding Group), any Yield due under this Agreement in respect of outstanding Class A Advances, including Yield payable at the Default Rate (it being agreed that each Class A Funding Agent shall distribute any such Yield received to the Lenders in its Funding Group on a pro rata basis based upon the outstanding principal amount of Advances funded by such Lenders);

(F) ratably to the Administrative Agent, the Class A Funding Agents and the Class A Lenders for all costs and expenses and other similar amounts (including, without limitation, any amounts payable under Sections 6.1 through 6.4 hereof and under Section 17.4 hereof) payable to the Administrative Agent, a Class A Funding Agent or a Class A Lender pursuant to the terms of any of the Transaction Documents;

(G) pro rata (1) ratably to each Class A Funding Agent (based on outstanding Class A Advances funded by each Class A Funding Agent's Class A Funding Group), in the amount of the Class A Borrowing Base Deficiency, if any, on such Payment Date (it being agreed that each Class A Funding Agent shall distribute any such amount received to the Lenders in its Funding Group on a pro rata basis based upon the outstanding principal amount of Advances funded by such Lenders), and (2) to the counterparties on any Hedge Agreements for the hedge termination payments, if any, until paid in full;

(H) ratably to each Class B Funding Agent (based on outstanding Class B Advances funded by each Class B Funding Agent's Class B Funding Group), any Yield (other than Yield accrued at the Default Rate to the extent in excess of the Yield that would otherwise be payable but for the occurrence and continuance of an Event of Default or the declaration, or automatic occurrence, of the Facility Termination Date) due under this Agreement in respect of outstanding Class B Advances (it being agreed that each Class B Funding Agent shall distribute any such Yield received to the Lenders in its Funding Group on a pro rata basis based upon the outstanding principal amount of Advances funded by such Lenders);

(I) ratably to the Class B Funding Agents and the Class B Lenders for all costs and expenses and other similar amounts (including, without limitation, any amounts payable under Sections 6.1 through 6.4 hereof and under

Section 17.4 hereof) payable to a Class B Funding Agent or a Class B Lender pursuant to the terms of any of the Transaction Documents;

(J) ratably to each Class A Funding Agent (based on outstanding Class A Advances funded by each Class A Funding Agent's Class A Funding Group), on behalf of the related Class A Lenders, in reduction of the Outstanding Class A Principal Amount, the amount required to reduce the Outstanding Class A Principal Amount to zero (it being agreed that each Class A Funding Agent shall distribute any such amount received to the Lenders in its Funding Group on a pro rata basis based upon the outstanding principal amount of Advances funded by such Lenders);

(K) ratably to each Class B Funding Agent (based on outstanding Class B Advances funded by each Class B Funding Agent's Class B Funding Group), any remaining Yield due under this Agreement in respect of outstanding Class B Advances (it being agreed that each Class B Funding Agent shall distribute any such Yield received to the Lenders in its Funding Group on a pro rata basis based upon the outstanding principal amount of Advances funded by such Lenders);

(L) ratably to each Class B Funding Agent (based on outstanding Class B Advances funded by each Class B Funding Agent's Class B Funding Group), on behalf of the related Class B Lenders, in reduction of the Outstanding Class B Principal Amount, the amount required to reduce the Outstanding Class B Principal Amount to zero (it being agreed that each Class B Funding Agent shall distribute any such amount received to the Lenders in its Funding Group on a pro rata basis based upon the outstanding principal amount of Advances funded by such Lenders);

(M) to the Servicer, for Servicer Advance Reimbursements (together with accrued and unpaid interest thereon);

(N) to the Service Providers in payment in full of any expenses and/or indemnification payments payable thereto under the Servicing Agreement as of the last day of the prior calendar month, to the extent not previously paid under clause (C) above or otherwise; and

(O) to or at the direction of the Borrower (including to make payments of interest, principal and premium, if any, on one or more AerCap Sub Notes and of accrued interest on the AerCap Liquidity Facility), the remaining portion of such funds, *provided*, that the Borrower may elect, in its sole discretion, to retain all or a portion of such funds in the Collection Account.

(f) Returned Collections. For the purposes of this Section 8.1, if and to the extent the Administrative Agent, any Funding Agent, the Collateral Agent or any Lender shall be required for any reason to pay over to an Obligor any amount received on its behalf hereunder, such amount shall be deemed not to have been so received but rather to have been retained by the

Borrower and, accordingly, the Administrative Agent, such Funding Agent, the Collateral Agent or such Lender, as the case may be, shall have a claim against the Borrower for such amount, payable pursuant to the Flow of Funds above.

(g) Servicer Advances.

(i) The Servicer shall be entitled, but is not obliged, to make one or more advances (any of which, a "Servicer Advance"), *provided* that the Servicer may not make Servicer Advances during the period between the Closing Date and the Facility Termination Date in a cumulative aggregate amount exceeding $25,000,000 (with such calculation of cumulative aggregate amount made without regard to whether any such Servicer Advances are or have been repaid). The proceeds of Servicer Advances will be applied as if they were Available Collections for the Payment Date relating to the monthly collection period in respect of which made. The Servicer shall be entitled to reimbursement for such Servicer Advances, payable under the Flow of Funds as a Servicer Advance Reimbursement (together with interest accrued thereon as provided in clause (ii) of this subsection (g) below).

(ii) The outstanding unpaid principal balance of Servicer Advances shall bear interest, at a rate per annum equal to the Eurodollar Rate (determined as set forth in clause (i) of the definition of Eurodollar Rate) plus a margin of 3.75% per annum, payable monthly on each Payment Date (to the extent of Available Collections) pursuant to an allocation thereto in the Flow of Funds.

(h) Lessee Payments. The Borrower, Borrower Subsidiaries and the Service Providers at all times shall be entitled to withdraw funds from the Maintenance Reserves Account and the Security Deposit Account to the extent such parties are required to pay amounts in respect of Maintenance Reserves or Security Deposits to Lessees or other third parties pursuant to the terms of any Lease or the Service Provider Agreements.

(i) Maintenance Reserve Payments. Following the termination of a Lease, the Borrower, Borrower Subsidiaries and the Service Providers shall be entitled to withdraw from the Maintenance Reserves Account any balances contained therein attributable to the related Aircraft for the payment of any expenses incurred in maintaining, repairing, remarketing, storing, insuring or getting the applicable Off-Lease Aircraft generally in a condition for Lease, to another Eligible Lessee.

(j) Expenses. Notwithstanding anything to the contrary herein or in any other Transaction Document, the Cash Manager may, from time to time on any Business Day, upon written request to the Account Bank, withdraw from the Collection Account or from the Liquidity Reserve Account such amounts as are needed to discharge any Borrower Expense or, except during periods when such expenses would not be payable at the level of the third allocation under Section 8.1(e)(i), Borrower Income Tax Expense. The Borrower agrees to cause the amount of such non-Payment Date withdrawals to be disclosed and set forth on the Monthly Report relating to the month in which such withdrawals occur.

(k) Irish VAT Refund Account. All payments of refunds with respect to Irish value-added tax and any other amounts related to Irish tax payments payable to any Borrower Group

Member shall be, when received, deposited in the Irish VAT Refund Account. Funds held in the Irish VAT Refund Account shall be converted into Dollars with a recognized foreign exchange dealer or foreign commercial bank (which may be the bank where the Irish VAT Refund Account is located or the Account Bank or an affiliate). Upon conversion and receipt of Dollars, the Collateral Agent shall cause such amounts to be deposited from the Irish VAT Refund Account to the Collections Account as soon as administratively practicable. The cost and expense of any such conversion shall be added to and reflected in the rate obtained for conversion and in no event shall the Borrower, the Collateral Agent or any of their respective affiliates be liable in respect of the exchange rate obtained for any such conversion or any related cost or expense.

All amounts held in the Irish VAT Refund Account from time to time shall remain uninvested pending conversion to Dollars and transfer to the Collections Account.

The Service Provider Administrative Agent shall promptly notify the Collateral Agent in writing of the expected payment of any such refund and the anticipated amount thereof.

(l) AerCap Sub-Notes Advance. If on any Advance Date there are Lenders who do not make available to the applicable Funding Agent their ratable share of the Advance to be made on such Advance Date and no other Lenders (or the Administrative Agent) have made available to the Administrative Agent such shortfall in accordance with Section 2.3(b) of this Agreement, then the holders of

the AerCap Sub-Notes, ratably, may advance any such shortfall to the Borrower on such Advance Date so that the Borrower has sufficient funds available to purchase the subject Aircraft Owning Entity on such Advance Date and to satisfy its obligations under the AerCap-Borrower Purchase Agreement. In the event that the holders of the AerCap Sub-Notes elect to advance the Borrower such shortfall, then any amounts recovered from the failing Lenders shall be paid directly to the holders of the AerCap Sub-Notes, ratably, and such funds shall not constitute Collections to be applied under Section 8.1(e).

SECTION 8.2 Investments. All funds on deposit in the Collection Account, the Maintenance Reserve Account, the Security Deposit Account and the Liquidity Reserve Account shall be invested only in Eligible Investments as specified by the Borrower in writing to the Account Bank from time to time; provided, that if the Borrower shall fail to specify such Eligible Investments in a timely manner, the Collateral Agent, at the direction of the Administrative Agent, may specify such Eligible Investments. All investments of funds on deposit in the Collection Account, the Maintenance Reserve Account, the Security Deposit Account and the Liquidity Reserve Account shall mature, or may be sold or withdrawn without loss, not later than the Business Day preceding the next Payment Date. Income earned on funds deposited to the Collection Account, the Maintenance Reserve Account, the Security Deposit Account and the Liquidity Reserve Account shall be transferred by the Account Bank to the Collection Account on the Business Day prior to each Payment Date for distribution pursuant to the Flow of Funds; provided, that the Servicer shall notify the Account Bank of any income earned on funds deposited to the Maintenance Reserve Account or the Security Deposit Account which must be retained in such accounts pursuant to the terms of any applicable Leases (and such income shall not be so transferred).

SECTION 8.3 Covenants, Representations and Warranties of Service Providers. In addition to the covenants of the applicable Service Provider set forth in the applicable Service Provider Agreement, each Service Provider hereby makes the following applicable representations, warranties and covenants to the other parties hereto on which the Lenders shall rely in making the Advances:

(a) Covenants. The applicable Service Provider covenants to the Borrower, the Administrative Agent, each Funding Agent and the Lenders as follows:

(i) No Service Provider shall do anything to impair the rights of the Borrower, the Administrative Agent or the Lenders in the Aircraft Assets, including, without limitation, in the Related Security.

(ii) Each Service Provider shall at all times maintain its principal executive office within Ireland.

(iii) The Insurance Servicer shall maintain customary amounts of insurance coverage with respect to the Service Providers under the Service Provider Agreements, including, without limitation, coverage for errors and omissions (but not, employee fidelity bond), fire, theft, workers compensation and servicer liability arising from the collection or remarketing, as applicable, of the Leases, provided that the coverage for errors and omissions applicable to the Service Providers as a whole shall in all cases be maintained at a level of coverage at least equal to $10,000,000 (subject to customary deductibles and co-payments, if applicable).

(iv) The Servicer shall, on every third Determination Date occurring following the Original Closing Date, prepare and forward a Quarterly Report to the Administrative Agent and each Funding Agent.

(v) Each Service Provider shall, consistent with the scope and area of its duties and responsibilities set forth in the applicable Service Provider Agreements to which it is a party, provide services to the Borrower and the Borrower Subsidiaries so as to enable them to comply with their respective obligations under this Agreement, including without limitation in respect of their covenant obligations set forth in Article X. Each Service Provider further agrees to refrain from taking actions that are inconsistent with such obligations of the Borrower and Borrower Subsidiaries.

(vi) Each Service Provider shall maintain (a) its legal existence and, if applicable, good standing in the jurisdiction of its formation, incorporation, or organization and (b) its qualification and, if applicable, good standing in all other jurisdictions in which the failure to maintain such qualification and good standing could reasonably be expected to cause a Material Adverse Effect.

(vii) The Servicer shall furnish to the Collateral Agent, the Administrative Agent and each Funding Agent from time to time such statements and schedules further identifying and describing the Borrower Collateral as the Collateral

Agent, the Administrative Agent or any Funding Agent may reasonably request, all in reasonable detail.

(viii) The Servicer will not maintain, nor permit a Lessor to maintain, for any purposes related to perfection or the effect of perfection in the applicable jurisdiction, the possession of any executed original counterparts of the Leases that would be deemed a Chattel Paper Original, in a jurisdiction other than Ireland, unless such Lease is a Chattel Paper Original deposited with the Collateral Agent.

(ix) Each Service Provider shall maintain its computer systems so that, from and after the time of the Initial Advance under this Agreement, its Records indicate clearly that the Borrower Collateral is directly or indirectly owned by the Borrower or another Borrower Group Member.

(x) The Servicer on behalf of the Borrower shall maintain records of the Aircraft and the Leases, consistent with those of a prudent international operating lessor.

(xi) With respect to technical and maintenance Records relating to a Funded Aircraft, the Servicer agrees on behalf of the Borrower to provide the Collateral Agent and the Administrative Agent, promptly upon request, access to (i) while the Aircraft is under Lease, such Records of the Lessee that the Lessor is entitled itself to access under, and subject to the restrictions of, the related Lease and the cooperation of the Lessee (which cooperation the Servicer will pursue consistent with the Servicer Standard of Performance), and (ii) in any case, such Records that the Borrower or the Lessor maintains on its own account through the Servicer. The Servicer agrees to maintain and update such Records consistent with the Servicer Standard of Performance.

(xii) Each Service Provider shall advise the Lenders, the Collateral Agent, the Administrative Agent and each Funding Agent promptly, in reasonable detail, (i) of any Adverse Claim known to it made or asserted against any of the Borrower Collateral (other than Permitted Liens), (ii) of the occurrence of any event (other than a change in general market conditions) which would have a material adverse effect on the assignments and security interests granted by the Borrower or AerCap under any Credit Document, and (iii) as soon as such Service Provider becomes aware, of any loss, theft, damage, or destruction to any Aircraft if the potential cost of repair or replacement of such asset (without regard to any insurance claim related thereto) may exceed $5,000,000.

(xiii) No Service Provider shall directly or indirectly, (i) knowingly conduct any business or engage in making or receiving any contribution of funds, goods or services to or for the benefit of any person described in Section 9.21, (ii) knowingly deal in, or otherwise engage in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order or any other Anti-Terrorism Law, or (iii) knowingly engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law (and the Service Provider shall deliver to the

Lenders any certification or other evidence requested from time to time by any Lender in its reasonable discretion, confirming their compliance with this section).

(xiv) Subject to the availability to the respective Service Provider of adequate funding to comply with its obligations under this section and the Service Provider Agreement to which it is a party, each Service Provider shall keep the Borrower in compliance with its obligations and covenants herein and under any other Related Documents provided to such Service Provider by the Borrower, to the extent that such obligations and covenants specifically relate to the "Services" as defined in the Service Provider Agreement to which such Service Provider is a party. Nothing in this section or in the Service Provider Agreement to which such Service Provider is a party shall be deemed to constitute or be construed as (i) a delegation or other transfer to, or an assumption by, such Service Provider or any of its Affiliates of any obligations of any Person within the Borrower Group to make any payment to any Lessee, any Lender (without limiting any express obligation of the Service Provider under the applicable Service Provider Agreement) or other Person, or to comply with any other monetary obligation, under any Lease or any other Transaction Document, or (ii) a transfer to such Service Provider or any of its Affiliates of any right, title or interest in any Lease or related agreement or any Aircraft Asset covered thereby.

(xv) The Service Providers agree to procure and deliver to the Borrower, so as to allow the Borrower to comply with its corresponding reporting obligation under Section 10.19(a), as soon as available and in any event within 120 days after the end of each Fiscal Year, a copy of the audited consolidated financial statements, prepared in accordance with GAAP, for such year of the AerCap Group, certified by any firm of nationally recognized independent certified public accountants acceptable to the Administrative Agent, accompanied by a certificate of the officer in charge of financial matters of AerCap Group, confirming that AerCap Group is in compliance with the net worth requirement in Section 12.1(f) hereof;

(xvi) The Service Providers agree to procure and deliver to the Borrower, so as to allow the Borrower to comply with its corresponding reporting obligation under Section 10.19(a), as soon as available and in any event within 75 days after the end of each of the first three quarters of each Fiscal Year, with respect to the AerCap Group, unaudited consolidated balance sheets as of the end of such quarter and as at the end of the previous Fiscal Year, and consolidated statements of income for such quarter and for the period commencing at the end of the previous Fiscal Year and ending with the end of such quarter prepared in accordance with GAAP, certified by the officer in charge of financial matters of the AerCap Group, identifying such balance sheets or statements as being the balance sheets or statements of such Person described in this paragraph (xvi) and stating that the information set forth therein fairly presents the financial condition of the AerCap Group as of and for the periods then ended, subject to year-end adjustments consisting only of normal, recurring accruals and omissions of footnotes and subject to the auditors' year end report, and accompanied by a certificate of the officer in charge of financial matters of AerCap Group confirming that AerCap Group is in compliance with the net worth requirements in Section 12.1(f) hereof.

(b) Representations and Warranties. Each Service Provider represents and warrants to the Borrower, the Administrative Agent, each Funding Agent and the Lenders, as of (unless otherwise explicitly set forth below) the Closing Date, the Initial Advance Date, the date of each Additional Advance and each Payment Date (provided that the representation and warranty in Section 8.3(b)(vii)

(E) is made only as of the Initial Advance Date), as to itself that:

(i) Such Service Provider has been duly incorporated and is validly existing under the laws of the Republic of Ireland, with power, authority and legal right to own its properties and to conduct its business as such properties are currently owned and such business is currently conducted;

(ii) There is no existing default under any Operating or Organizational Document of such Service Provider or any event which, with the giving of notice or the passage of time or both, would have a Material Adverse Effect;

(iii) Each Service Provider is duly qualified to do business as a foreign corporation, and has obtained all necessary licenses and approvals, in all jurisdictions in which the conduct of its business (including, as applicable, the servicing of the Aircraft, the Leases and the Related Security as required by this Agreement) requires such qualification and where the failure to be so qualified would have a material adverse effect on its business and assets taken as a whole or on its ability to perform the applicable services provided for in the related Service Provider Agreements;

(iv) Such Service Provider has the power and authority to execute and deliver this Agreement and the other Credit Documents to which it is a party and to carry out its terms and their terms, respectively, and the execution, delivery and performance of this Agreement and the other Credit Documents to which it is a party have been duly authorized by such Service Provider by all necessary corporate action;

(v) This Agreement and the other Credit Documents to which such Service Provider is a party constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms, except as enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization, or other similar laws affecting the enforcement of creditors' rights generally and by equitable limitations on the availability of specific remedies, regardless of whether such enforceability is considered in a proceeding in equity or at law;

(vi) The consummation of the transactions contemplated by this Agreement and the other Credit Documents to which such Service Provider is a party, and the fulfillment of the terms of this Agreement and the other Transaction Documents to which it is a party, shall not conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time) a default under, any Operational or Organizational Document of such Service Provider, or any indenture, agreement, mortgage, deed of trust or other instrument to which such Service Provider is a party or by which it is bound or any of its properties are subject, or result in the creation or imposition of any Lien (other than a Permitted Lien) upon any of its properties pursuant to the terms of any such indenture, agreement, mortgage, deed of trust on other

instrument, other than this Agreement, or violate any law (including, without limitation, any Environmental Laws), order, rule or regulation applicable to the Service Provider of any court or of any federal or state regulatory body, administrative agency or other governmental instrumentality having jurisdiction over the Service Provider or any of its properties, except where any such conflict or violation would not have a Material Adverse Effect;

(vii) There are no proceedings or investigations pending against such Service Provider, before any court, regulatory body, administrative agency or other tribunal or governmental instrumentality having jurisdiction over such Service Provider or its properties (A) asserting the invalidity of this Agreement or any of the Credit Documents, (B) seeking to prevent the consummation or performance of any of the transactions contemplated by this Agreement or any of the Credit Documents to which such Service Provider is a party, (C) seeking any determination or ruling that might materially and adversely affect the performance by such Service Provider of its obligations under, or the validity or enforceability of, this Agreement or any of the Credit Documents to which such Service Provider is a party, (D) that could otherwise have a Material Adverse Effect (but without giving effect to clause (ii) of the definition thereof), or (E) as of the Closing Date only, that could otherwise have a Material Adverse Effect (but giving effect to the entire definition of such term);

(viii) All approvals, authorizations, consents, licenses, registrations, declarations, orders or other actions of any Person, corporation or other organization, or of any court, governmental agency or body or official, required in connection with the execution and delivery by such Service Provider of this Agreement and the other Credit Documents to which it is a party and the consummation of the transactions contemplated thereby have been or will be taken, made or obtained on or prior to respective dates of execution and delivery of this Agreement and such other Credit Documents;

(ix) The Service Provider has complied in all material respects with all applicable laws (including, without limitation, any Environmental Law), rules, regulations, judgments (unless such judgment has been properly appealed and such appeal is being diligently prosecuted by such Person), agreements, decrees and orders, as any of the same relate to performance by it of its services under the applicable Service Provider Agreements;

(x) In each case, to the extent that the failure of such representation to be true would have a material adverse effect on its ability to perform its obligations under the applicable Service Provider Agreements, (A) the Service Provider has filed on a timely basis all Tax Returns (including, without limitation, foreign, federal, state, local and otherwise) required to be filed, (B) the Service Provider is not liable for Taxes payable by any other Person, (C) the Service Provider has paid, or made adequate provisions for the payment in accordance with GAAP of, all Taxes, assessments and other governmental charges due from the Service Provider, (D) all such Tax Returns are true and correct in all material respects, (E) no tax lien or similar Adverse Claim has been filed, and no claim is being asserted, with respect to any such Tax, assessment or other

governmental charge, (F) any Taxes, fees and other governmental charges payable by the Service Provider in connection with the execution and delivery of this Agreement and the other Credit Documents and the transactions contemplated hereby or thereby, have been paid or will be paid when due, and (G) the Service Provider is unaware of any proposed or pending tax assessments, deficiencies or audits that could be reasonably expected to, individually or in the aggregate, result in such a material adverse effect.

(xi) All written information furnished by or on behalf of the Service Provider to any Lender, the Collateral Agent, the Administrative Agent or any Funding Agent in connection with this Agreement or any transaction contemplated hereby is true and complete in all material respects on and as of the date of delivery of such written information, and does not omit to state a material fact necessary to make the statements contained therein not misleading on and as of such date of delivery;

(xii) In each case, to the extent that the failure of such representation to be true would have a material adverse effect on its ability to perform its obligations under the applicable Service Provider Agreements, (A) the Service Provider is in compliance in all material respects with all, and has no liability under any, applicable Environmental Laws and has been issued and currently maintains all required foreign, federal, state and local permits, licenses, certificates and approvals, and (B) the Service Provider has not been notified of any pending action, suit, proceeding or investigation, and is not aware of any facts, which (1) calls into question, or could reasonably be expected to call into question, compliance by it with any Environmental Laws, (2) seeks, or could reasonably be expected to form the basis of a meritorious proceeding, to suspend, revoke or terminate any license, permit or approval necessary for the operation of its business, assets or facilities or for the generation, handling, storage, treatment or disposal of any Hazardous Materials, or (3) seeks to cause, or could reasonably be expected to form the basis of a meritorious proceeding to cause, any of its property to be subject to any restrictions on ownership, use, occupancy or transferability under any Environmental Law;

(xiii) Each Service Provider is not engaged in nor has it engaged in any course of conduct that could subject any of its properties to any Adverse Claim, seizure or other forfeiture under any criminal law, racketeer influenced and corrupt organizations law, civil or criminal, or other similar laws, whether foreign or domestic;

(xiv) Each Service Provider is not in violation of any Anti-Terrorism Laws, including the Executive Order, and the Patriot Act.

Neither the Service Providers, nor any broker or other agent of it acting or benefiting in any capacity in connection with the Advances is any of the following:

(A) a person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(B) a person owned or controlled by, or acting for or on behalf of, any person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(C) a person with which any Lender is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law;

(D) a person that commits, threatens or conspires to commit or supports “terrorism” as defined in the Executive Order; or

(E) a person that is named as a “specially designated national and blocked person” on the most current list published by OFAC at its official website or any replacement website or other replacement official publication of such list.

Neither the Service Provider, nor any broker or other agent of it acting in any capacity in connection with the Advances (i) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any person described in the preceding paragraph, (ii) deals in, or otherwise engages in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order, or (iii) engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law;

(xv) Each of the representations and warranties of the Service Provider set forth in the applicable Service Provider Agreements to which it is a party, each of which is hereby incorporated herein by reference, is true and correct in all material respects (it being understood that a representation or warranty that by its express terms is expressed to be made as of, and only as of, a particular date or time, is only represented to be true and correct at and as of such time), and the Administrative Agent, the Funding Agents and the Lenders shall be entitled to rely on each of them as if they were fully set forth herein;

(xvii) On and as of each Advance Date (and after giving effect to the transactions contemplated to occur on such Advance Date), there does not exist any Servicer Termination Event or event that would constitute a Servicer Termination Event but for the passage of time or the giving of notice or both;

(xviii) The Servicer represents and warrants that each Monthly Report and Quarterly Report delivered hereunder is accurate in all material respects as of the date thereof; and

(xix) On the Closing Date, the Servicer represents and warrants that the consolidated balance sheets of the AerCap Group as at December 31, 2006, and the related statements of income and retained earnings of the AerCap Group for the Fiscal Year then ended, copies of which have been furnished to the Administrative Agent and each of the Funding Agents, fairly present the financial condition of the AerCap Group as

at such date and the results of the operations of the AerCap Group for the period ended on such date, all in accordance with GAAP consistently applied.

ARTICLE IX

REPRESENTATIONS AND WARRANTIES OF THE BORROWER

In order to induce the other parties hereto to enter into this Agreement and, in the case of the Lenders, to make Advances hereunder, the Borrower hereby represents and warrants to the Administrative Agent, the Collateral Agent, each Funding Agent and the Lenders, as of (unless otherwise explicitly set forth below) the Closing Date, the Initial Advance Date, the date of each Additional Advance and each Payment Date, as follows:

SECTION 9.1 Subsidiaries. The Borrower has no Subsidiaries other than the Aircraft Owning Entities, Applicable Intermediaries, Holdco Subsidiaries and Owner Participants and any Persons owning beneficial interests therein.

SECTION 9.2 Organization and Good Standing.

(a) Borrower. The Borrower has been duly organized and is validly existing as an exempted company under the laws of Bermuda, with power and authority to own its properties and to conduct its business as such properties are currently owned and such business is currently conducted, and had at all relevant times and now has, power and authority and legal right to acquire and own the Aircraft, Leases and Related Security, the other Aircraft Assets and the Equity Interests of the Borrower Subsidiaries and to grant to the Collateral Agent, for the benefit of the Lenders, a first priority security interest in the Borrower Collateral and to enter into and perform its obligations under this Agreement and each of the other Transaction Documents to which it is a party.

(b) Subsidiaries. Each of the Borrower Subsidiaries has been duly formed, incorporated or organized and is validly existing as a corporation, limited liability company, partnership, limited partnership, business or statutory trust, owner trust or other business entity in good standing under the laws of the jurisdiction of its formation (to the extent such concept is recognized in such jurisdiction), incorporation or organization as set forth in Schedule VIII, with power and authority to own its properties and to conduct its business as such properties are currently owned and such business is currently conducted, and had at all relevant times and now has, power and authority and legal right to acquire and own Aircraft, Leases, Related Security, other Aircraft Assets and, if applicable, Equity Interests of other Borrower Subsidiaries and perform its obligations under each of the Transaction Documents to which it is a party.

(c) Constitutive Documents. There is no existing material default under any Operating or Organizational Document of the Borrower or any Borrower Subsidiaries or any event which, with the giving of notice or passage of time or both, would constitute a default by any party thereunder.

SECTION 9.3 Due Qualification. The Borrower and each of the Borrower Subsidiaries is duly qualified to do business as a foreign entity in good standing (to the extent such concept is

applicable), and has obtained all necessary licenses and approvals, in all jurisdictions in which the failure to so qualify, or obtain such license or approval, would result in a Material Adverse Effect.

SECTION 9.4 Enforceability. This Agreement and the other Transaction Documents to which the Borrower or any of the Borrower Subsidiaries are a party constitute legal, valid and binding obligations of the Borrower and such Borrower Subsidiaries, as applicable, enforceable in accordance with their respective terms, except as enforceability may be limited by (i) applicable bankruptcy, insolvency, reorganization or other similar law, and (ii) general principles of equity.

SECTION 9.5 Security Interest.

(a) The Security Trust Agreement creates or shall create upon registration where registration is required to secure priority, a valid first priority security interest in the Borrower Collateral in favor of the Collateral Agent, enforceable against the Borrower and the Borrower Subsidiary grantors thereunder, and creditors of and purchasers from such grantors.

(b) None of the Borrower Collateral has been pledged, assigned, sold or otherwise encumbered other than pursuant to the terms of AerCap-Borrower Purchase Agreement or any applicable Borrower Acquisition Document or the terms hereof or of the Security Trust Agreement and except for Permitted Liens, and no Borrower Collateral is described in (i) any UCC financing statements filed

against AerCap, any Seller or the Borrower other than UCC financing statements which have been terminated and the UCC financing statements filed in connection with the Security Trust Agreement, each of which name the Collateral Agent as secured party or the AerCap-Borrower Purchase Agreement, which names the Borrower as purchaser/secured party, or (ii) any other registries or filing records that may be applicable to the Borrower Collateral in any other relevant jurisdiction, other than such filings or registrations made in connection with the Security Trust Agreement or any other security document in favor of the Collateral Agent.

SECTION 9.6 No Violation. The consummation of the transactions contemplated by this Agreement and the other Credit Documents to which the Borrower or any Borrower Subsidiaries are a party, and the fulfillment of the terms of this Agreement and the other Credit Documents to which the Borrower or any Borrower Subsidiaries are a party, shall not (A) conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time) a default under, the Operational Documents or Organizational Documents of the Borrower or any Borrower Subsidiaries, or any material indenture, agreement, mortgage, deed of trust or other instrument to which the Borrower or any Borrower Subsidiary is a party or by which it is bound or any of its properties are subject, or (B) result in the creation or imposition of any Adverse Claim upon any of the properties of the Borrower or any Borrower Subsidiaries pursuant to the terms of any such indenture, agreement, mortgage, deed of trust or other instrument, other than the Security Trust Agreement, and/or AerCap-Borrower Purchase Agreement, or (C) violate in any material respect any law (including, without limitation, any Environmental Law), rule or regulation applicable to the Borrower or any Borrower Subsidiaries or with respect to any Borrower Collateral, except (but only with respect to the remaking of this representation on each Payment Date and each Advance Date, when applicable) to the extent that

the failure so to comply would not materially adversely affect the Borrower Collateral, the collectibility of a substantial portion of the Leases or the ability of the Borrower, any Service Provider or such Borrower Subsidiary to perform its obligations under the Credit Documents, or (D) violate any writ, order, judgment or decree binding on or affecting the Borrower or any Borrower Subsidiaries of any court or of any federal or state regulatory body, administrative agency or other governmental instrumentality having jurisdiction over the Borrower or any Borrower Subsidiaries or any of their respective properties.

SECTION 9.7 No Proceedings. There are no proceedings or investigations pending against the Borrower or any Borrower Subsidiaries, before any court, regulatory body, administrative agency or other tribunal or governmental instrumentality having jurisdiction over the Borrower or any Borrower Subsidiaries or any of their respective properties (A) asserting the invalidity or unenforceability of this Agreement or any of the other Credit Documents, (B) seeking to prevent the consummation or performance of any of the transactions contemplated by this Agreement or any of the other Credit Documents, (C) as of the Closing Date only, seeking any determination or ruling that might materially and adversely affect the performance by the Borrower or any Borrower Subsidiaries of its obligations under any of the Credit Documents or (D) as of the Closing Date only, that could have a material adverse effect on the Borrower or any Borrower Subsidiaries, the Aircraft, the Leases, or any other Borrower Collateral.

SECTION 9.8 Approvals. As of each Advance Date, with respect to the Transaction Documents that specifically relate to the Advance occurring on that date, all approvals, authorizations, consents, licenses, registrations, declarations, orders or other actions of any Person, corporation or other organization, or of any court, governmental agency or body or official, required in connection with the execution and delivery by the Borrower or any Borrower Subsidiaries of any such Transaction Document to which it is a party and the consummation of the transactions contemplated thereby have been or will be taken or obtained on or prior to the respective dates of execution and delivery of such Transaction Documents.

SECTION 9.9 Subsidiaries. As of the Closing Date, Schedule VIII sets forth (a) a correct and complete list of the relationship of the Borrower and the Borrower Subsidiaries and all of their respective Subsidiaries, (b) the location of the chief executive office of each of them, (c) the jurisdiction of formation, incorporation or organization of each of them, (d) a true and complete listing of each class of the Equity Interests of each of them, of which all of such issued Equity Interests are validly issued, outstanding, fully paid and non-assessable, and owned beneficially and of record by the Persons identified in Schedule VIII, (e) the type of entity of each of them, and (f) if applicable, the employer or taxpayer identification number of each of them and the organizational identification number issued by each of their respective jurisdictions of formation, incorporation, or organization. Each of the Borrower and each Borrower Subsidiary has only one jurisdiction of formation, incorporation, or organization, except that the Borrower is a resident of Ireland for tax purposes.

SECTION 9.10 Solvency. As of the Closing Date and each Advance Date, each of the Borrower and each of the Borrower Subsidiaries is Solvent and will not become insolvent after giving effect to the transactions contemplated by this Agreement and the other Transaction

Documents. None of the Borrower or any Borrower Subsidiaries has any Indebtedness to any Person other than as permitted pursuant to Section 10.27 hereof.

SECTION 9.11 Compliance with Laws. The Borrower and each Borrower Subsidiary, (a) as of each Advance Date, has complied in all material respects with all applicable laws (including, without limitation, any Environmental Law), rules, regulations, judgments (unless such judgment has been properly appealed and such appeal is being diligently prosecuted by such Person), agreements, decrees and orders with respect to, as of any Advance Date, the Aircraft, Leases and other Aircraft Assets that are the subject of funding on such Advance Date, and (b) as of each Advance Date and each Payment Date, has complied in all material respects with all applicable laws (including, without limitation, any Environmental Law), rules, regulations, judgments (unless such judgment has been properly appealed and such appeal is being diligently prosecuted by such Person), agreements, decrees and orders with respect to its the Aircraft,

Leases and other Aircraft Assets generally, except (in the case of this clause (b) where non-compliance could not reasonably be expected to have a Material Adverse Effect.

SECTION 9.12 Taxes. The Borrower and each Borrower Subsidiary has filed on a timely basis all Tax Returns (including, without limitation, foreign, federal, state, local and otherwise) required to be filed for which failure to file would have a Material Adverse Effect, and has paid, or in accordance with GAAP made adequate provisions for the payment of, all Taxes due from the Borrower and each of the Borrower Subsidiaries, as applicable. All such Tax Returns are true and correct in all material respects. No tax lien or similar Adverse Claim has been filed, and no claim is being asserted, with respect to any such Taxes. Any Taxes, fees and other governmental charges payable by the Borrower or any Borrower Subsidiaries in connection with the execution and delivery of this Agreement and the other Transaction Documents and the transactions contemplated hereby or thereby including the transfer of the Aircraft and the Leases and Related Security, if any, and the transfer of the Equity Interests of the Borrower Subsidiaries to the Borrower have been paid or will be paid when due. The Borrower is unaware of any proposed or pending tax assessments, deficiencies or audits that could be reasonably expected to, individually or in the aggregate, result in a material adverse change in the business, operations, property, prospects or financial or other condition of the Borrower and each of the Borrower Subsidiaries.

SECTION 9.13 Monthly Report. Each Monthly Report and Quarterly Report is accurate in all material respects as of the date thereof.

SECTION 9.14 No Liens, Etc.

(a) The Borrower Collateral and each part thereof is owned by the Borrower free and clear of any Adverse Claim other than Permitted Liens, and the Borrower has the full right, corporate power and lawful authority to assign, transfer and pledge the same and interests therein, and upon the making of the Initial Advances, the Collateral Agent, for the benefit of the Administrative Agent, each Funding Agent and the Lenders, will have, upon registration if required, acquired a perfected, first priority and valid security interest in such Borrower Collateral, free and clear of any Adverse Claim other than Permitted Liens. No effective control agreement, financing statement or other instrument similar in effect covering all or any part of the Borrower Collateral has been executed or is on file in any recording office, except such as

may have been filed in favor of the Collateral Agent for the benefit of the Administrative Agent, the Funding Agents and the Lenders pursuant to Article VII of this Agreement or, with respect to the Leases, in favor of the Borrower pursuant to the Purchase Agreement. The use by the Borrower of the Borrower Collateral and all rights with respect thereto do not infringe on the rights of any person.

(b) The rights and obligations of the Borrower Group Members as Lessors under the Leases with respect to the Aircraft, and any Equity Interests in any other Person held by such Borrower Group Members, are, in each case, held free and clear of any Adverse Claim other than Permitted Liens, or prohibition with respect to transferability and each such Borrower Group Member has the full right, corporate power and lawful authority to assign, transfer and pledge the same and interests therein, and upon the making of the Initial Advances or Additional Advance relating thereto, the Collateral Agent, for the benefit of the Administrative Agent, each Funding Agent and the Lenders, will have, upon registration if required, acquired a perfected, first priority and valid security interest in such rights, obligations and Equity Interests, free and clear of any Adverse Claim (other than Permitted Liens).

SECTION 9.15 Purchase and Sale. The Equity Interests of each Borrower Subsidiary, was purchased by the Borrower on the Initial Advance Date or on the date of an Additional Advance, provided, that for Initial Advance Dates or Additional Advance Dates involving the financing of the acquisition of an Aircraft not effected by the acquisition of such Equity Interests, the Borrower or an existing Borrower Subsidiary purchases such assets directly.

SECTION 9.16 Securities Act of 1933. Each of the sales and purchases under the Borrower Acquisition Documents and the purchase of the Equity Interests under AerCap-Borrower Purchase Agreement is exempt from the registration requirements of the Securities Act of 1933, as amended.

SECTION 9.17 Information True and Correct. All written information furnished by or on behalf of the Borrower or any Borrower Subsidiaries to any Lender, the Collateral Agent, the Administrative Agent or any Funding Agent in connection with this Agreement or any transaction contemplated hereby, when delivered (and when taken in connection with previous information so furnished for the purpose of completeness) is true and, when taken as a whole, complete in all material respects and does not omit to state a material fact necessary to make the statements contained therein not misleading.

SECTION 9.18 Environmental Laws. The Borrower and each Borrower Subsidiary is in compliance in all material respects with all, and has no liability under any, applicable Environmental Laws and has been issued and currently maintains all required foreign, federal, state and local permits, licenses, certificates and approvals, except in each case where the failure to so comply or maintain would not have a material adverse effect on the Borrower or the Borrower Subsidiaries or their assets or property, taken as a whole. None of the Borrower or any Borrower Subsidiaries has been notified of any pending or threatened action, suit, proceeding or investigation, and none of the Borrower or any Borrower Subsidiary is aware of any facts, which (a) calls into question, or could reasonably be expected to call into question, compliance by the Borrower or any Borrower Subsidiaries with any Environmental Laws, (b) seeks, or could reasonably be expected to form the basis of a meritorious proceeding, to suspend, revoke or

terminate any license, permit or approval necessary for the operation of any the Borrower's or any Borrower Subsidiaries' business, assets or facilities or for the generation, handling, storage, treatment or disposal of any Hazardous Materials, or (c) seeks to cause, or could reasonably be expected to form the basis of a meritorious proceeding to cause, any property of the Borrower or any Borrower Subsidiaries to be subject to any restrictions on ownership, use, occupancy or transferability under any Environmental Law.

SECTION 9.19 Employment Matters. None of the Borrower or any Borrower Subsidiary has or has ever had (i) any Employee Benefit Plan, any Multiemployer Plan or any Pension Plan, or any obligation to fund any such plan or (ii) any employee other than officers thereof.

SECTION 9.20 RICO. None of the Borrower or any Borrower Subsidiary is engaged in or has engaged in any course of conduct that could subject any of their respective properties to any Adverse Claim, seizure or other forfeiture under any criminal law, racketeer influenced and corrupt organizations law, civil or criminal, or other similar laws, whether foreign or domestic.

SECTION 9.21 Anti-Terrorism Law. None of the Borrower, any Borrower Subsidiary or, to the knowledge of the Borrower as of the Advance Date relating to a Lessee, any such Lessee, is in violation of any Requirement of Law relating to terrorism or money laundering ("Anti-Terrorism Laws"), including Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (the "Executive Order"), and the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56 (the "Patriot Act").

None of the Borrower or any Borrower Subsidiaries or any broker or other agent of any of them acting or benefiting in any capacity in connection with the Advances is any of the following:

(i) a person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(ii) a person owned or controlled by, or acting for or on behalf of, any person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(iii) a person with which any Lender is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law;

(iv) a person that commits, threatens or conspires to commit or supports "terrorism" as defined in the Executive Order; or

(v) a person that is named as a "specially designated national and blocked person" on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control ("OFAC") at its official website or any replacement website or other replacement official publication of such list.

None of the Borrower or any Borrower Subsidiaries or any broker or other agent of any of them acting in any capacity in connection with the Advances (i) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any person described in the preceding paragraph, (ii) deals in, or otherwise engages in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order, or (iii) engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.

SECTION 9.22 Depositary Banks. The names and addresses of the Account Bank and each Non-Trustee Account Bank and the Irish Bank, together with the account numbers of the Collection Account, the Security Deposit Account, the Maintenance Reserve Account, the Liquidity Reserve Account, the Irish VAT Refund Account and each Non-Trustee Account are as specified in Schedule VI hereto, as such Schedule VI may be updated from time to time pursuant to Section 8.1(b). The Collection Account, Security Deposit Account, Non-Trustee Accounts, the Liquidity Reserve Account, the Irish VAT Refund Account and the Maintenance Reserve Account are the only accounts into which Collections are deposited or remitted. There are no lock-boxes or lockbox accounts associated with any of the Collection Account, the Security Deposit Account, the Maintenance Reserve Account, the Liquidity Reserve Account the Irish VAT Refund Account or any Non-Trustee Account.

SECTION 9.23 Financial Condition. The actual balance sheet of the Borrower as of the Initial Advance Date, giving effect to the Borrower Acquisition, the initial Advances to be made under this Agreement and the transactions contemplated by this Agreement, the AerCap-Borrower Purchase Agreement and the other Transaction Documents, a copy of which shall been furnished to each of the Administrative Agent and each of the Funding Agents on or before the Initial Advance Date, shall fairly present the financial condition of the Borrower as at such date, in accordance with GAAP.

SECTION 9.24 Investment Company Status. None of the Borrower or any Borrower Subsidiary is an "investment company" or an "affiliated person" of, or "promoter" or "principal underwriter" for, an "investment company," as such terms are defined in the Investment Company Act of 1940, as amended. The making of the Advances by the Lenders, the application of the proceeds and repayment thereof by the Borrower and the consummation of the transactions contemplated by this Agreement and the other Transaction Documents to which the Borrower or any Borrower Subsidiary is a party will not violate any provision of such Act or any rule, regulation or order issued by the Securities and Exchange Commission thereunder.

SECTION 9.25 [Reserved].

SECTION 9.26 Representations and Warranties True and Accurate. Each of the representations and warranties of the Borrower and each Borrower Subsidiary contained in this Agreement and the other Credit Documents was true and accurate as and when deemed made.

SECTION 9.27 No Event of Loss. No Event of Loss has occurred with respect to any Initial Financed Aircraft as of the Initial Advance Date, or any Additionally Financed Aircraft as of the related Additional Advance Date.

SECTION 9.28 Description of Aircraft and Leases.

(a) Schedule I attached hereto, as supplemented from time to time pursuant to Section 7.2(l), or Section 10.8 hereof is a true and correct list of all Aircraft acquired under the AerCap-Borrower Purchase Agreement from time to time.

(b) Schedule II attached hereto, as supplemented from time to time pursuant to Section 7.2(l), or Section 10.8 hereof, is a true and correct list of all Borrower Group Members and the Aircraft Owned thereby from time to time.

(c) Schedule III attached hereto, as supplemented from time to time pursuant to Section 7.2(l), Section 10.8 or Section 10.9 hereof, is a true and correct list of all Leases (including, without limitation, any head leases and sub-leases) in effect with respect to the Aircraft Owned by Borrower Group Members.

SECTION 9.29 No Default, Etc.There does not exist (as of the Closing Date, the Initial Advance Date and any Additional Advance Date), any Default, Event of Default, Early Amortization Event (including a Servicer Termination Event), or event that would constitute a Servicer Termination Event or Early Amortization Event but for the passage of time or the giving of notice or both.

SECTION 9.30 Subsidiary Constituent Documents. There is in full force and effect with respect to each Borrower Subsidiary, as applicable, a limited liability company agreement, trust agreement or other corporate constituent document substantially in the form of one of the documents attached hereto as Exhibit Q or otherwise reasonably acceptable to Administrative Agent.

ARTICLE X

COVENANTS

From the Closing Date until the later of the Facility Termination Date or the day thereafter on which all Obligations shall have been finally and fully paid and performed, the Borrower hereby covenants and agrees as follows:

SECTION 10.1 Legal Existence and Good Standing. The Borrower shall, and the Borrower shall cause each of the Borrower Subsidiaries to, maintain (a) its legal existence and, if applicable, good standing in the jurisdiction of its formation, incorporation, or organization and (b) its qualification and, if applicable, good standing in all other jurisdictions in which the failure to maintain such qualification and good standing could reasonably be expected to cause a Material Adverse Effect.

SECTION 10.2 Protection of Security Interest of the Lenders.

(a) (i) At or prior to the Initial Advance Date, the Borrower shall have filed or caused to be filed, with respect to itself and each other Borrower Group Member that is a grantor of security interests under the Security Trust Agreement, UCC-1 financing statements and

amendments thereto, naming such Borrower Group Member as debtor, naming the Collateral Agent (for the benefit of the Lenders, the Administrative Agent and the Funding Agents) as secured party and describing the applicable Borrower Collateral (such UCC-1 financing statements and amendments to be satisfactory to the Administrative Agent and the Collateral Agent), with the Washington, D.C. Office of Registry and in such other jurisdictions and locations as may be required to perfect the security interests in the Borrower Collateral granted under the Security Trust Agreement and/or as the Collateral Agent or the Funding Agents shall have reasonably required. From time to time, on or after the Initial Advance Date, the Borrower shall execute and file (or cause to be executed and filed) such financing statements and cause to be executed and filed such continuation statements, and shall make such registrations of international interests and assignments thereof existing or arising under the Cape Town Convention, including without limitation any prospective filings or other filings necessary or advisable under the Cape Town Convention (*provided*, that if a Lessee's cooperation is necessary to effectuate any such registrations, the Borrower shall only be required to make such registration to the extent feasible using commercially reasonable efforts), all in such manner and in such places as may be required by law fully to preserve, maintain and protect the interest of the Administrative Agent, the Collateral Agent, the Funding Agent and the Lenders under this Agreement and the Security Trust Agreement in the Borrower Collateral, and in the proceeds thereof. In addition, with respect to the delivery of any legal opinion in respect of the Cape Town Convention, stated to be a condition precedent to Advances under Section 7.1B or Section 7.2 hereof, but the execution and delivery of which is relegated to an undertaking of the Borrower under this subsection (a)(i), the Borrower agrees to obtain the relevant legal opinion as soon as feasible but in no event later than ten (10) Business Days following the date of the related release of funds to the Borrower in respect of the Advance. The Borrower shall in any case deliver (or cause to be delivered) to the Administrative Agent file-stamped copies of, or filing receipts for, any document filed or registration effected as provided above, as soon as available following such filing or registration. In the event that the Borrower fails to perform its obligations under this subsection, the Collateral Agent and

the Administrative Agent may (and upon the direction of any Funding Agent shall) do so at the expense of the Borrower, to the extent that they are legally entitled to do so.

(ii) Notwithstanding anything herein or in any other Credit Document to the contrary, the Collateral Agent shall be under no obligation to file or prepare any financing statement or continuation statement or to take any action or to execute any further documents or instruments in order to create, preserve or perfect the security interest granted hereunder, such obligations being solely the obligations of the Borrower (or, as applicable, a Service Provider).

(b) The Borrower shall not, and shall not permit any other Borrower Group Member that is a grantor of a security interest under the Security Trust Agreement to, change its name, identity, or corporate structure in any manner that would, could or might make any financing statement or continuation statement filed in accordance with paragraph (a) above seriously misleading within the meaning of § 9-402(7) of the UCC, unless the Borrower shall have given the Administrative Agent and each Funding Agent at least thirty (30) days prior written notice thereof, and shall promptly file appropriate amendments to all previously filed financing statements and continuation statements.

(c) The Borrower shall give the Administrative Agent at least sixty (60) days' prior written notice of any change of the Borrower's, or any other Borrower Group Member's, jurisdiction of formation or organization. The Borrower shall at all times maintain its principal office within Bermuda, provided that the Borrower may be an Irish tax resident.

(d) The Borrower shall furnish to the Collateral Agent, the Administrative Agent and each Funding Agent from time to time such statements and schedules further identifying and describing the Borrower Collateral and such other reports in connection with the Borrower Collateral as the Collateral Agent, the Administrative Agent or any Funding Agent may reasonably request, all in reasonable detail.

(e) The Borrower will not maintain, nor permit a Lessor to maintain, for purposes of determining perfection by possession under applicable law, possession of any executed original counterparts of the Leases that would be deemed the Chattel Paper Original in a jurisdiction other than Ireland, unless such Lease is an executed original or Chattel Paper Original deposited with the Collateral Agent.

SECTION 10.3 Records.

(a) The Borrower shall maintain its computer systems so that, from and after the time of the Initial Advance under this Agreement, its Records indicate clearly that the Borrower Collateral is directly or indirectly owned by Borrower or another Borrower Group Member.

(b) The Borrower shall, at its own cost and expense, maintain complete records of the Aircraft, the Leases and the other Aircraft Assets, consistent with those of a prudent international operating lessor. Upon request of the Collateral Agent, the Borrower shall, and shall cause the Borrower Subsidiaries to, deliver and turn over to the Collateral Trustee or to its representatives, or upon the request of the Administrative Agent, shall provide the Administrative Agent or its representatives with access to, during ordinary business hours, upon reasonable notice by the Administrative Agent, which shall in no event be less than three (3) Business Days (except if an Event of Default shall have occurred), all of the Borrower's and the Borrower Subsidiaries' facilities, appropriate supervisory personnel and Records pertaining to the Aircraft and Aircraft Assets. Promptly upon request therefor, the Borrower shall, and shall cause the Borrower Subsidiaries to, provide access to the Administrative Agent to Records reflecting activity relating to the Aircraft and Aircraft Assets through the close of business on the immediately preceding Business Day.

(c) With respect to technical and maintenance Records relating to a Funded Aircraft, the Borrower agrees (and agree to cause the applicable Lessor) to provide the Collateral Agent and the Administrative Agent, promptly upon request, access to (i) while the Aircraft is under Lease, such Records of the Lessee that the Lessor is entitled itself to access under, and subject to the restrictions of, the related Lease, and (ii) in any case, such Records that the Borrower or the Lessor maintains on its own account. The Borrower agrees to maintain and update such Records consistent with the Servicer Performance Standard.

SECTION 10.4 Other Liens or Interests.

(a) Except for the security interest granted under the Security Trust Agreement, and as otherwise permitted under the Transaction Documents, the Borrower will not sell, assign or transfer (other than as permitted hereunder) or pledge to any other Person, or grant, create, incur, assume or suffer to exist any Adverse Claim (other than Permitted Liens) on any of the Borrower's assets, including without limitation, any Aircraft or other Aircraft Assets, the Borrower Collateral or any interest therein, and the Borrower shall defend the right, title, and interest of the Collateral Agent (for the benefit of the Administrative Agent, the Funding Agents and the Lenders) in and to the Borrower Collateral against all claims of third parties claiming through or under the Borrower.

(b) Except for the security interest granted under the Security Trust Agreement, and as otherwise permitted under the Transaction Documents, the Borrower shall cause each Borrower Subsidiary not to sell, pledge, assign or transfer to any other Person, or grant, create, incur, assume or suffer to exist any Adverse Claim (other than Permitted Liens) on any of their assets, including any Aircraft or other Aircraft Assets, or any Lease, Related Security or other Borrower Collateral owned by, entered into by or related to such Borrower Subsidiary, or any interest therein. Without limiting the foregoing, the Borrower will not, and will not cause or permit any

Borrower Subsidiary to, do anything to impair the rights of the Administrative Agent or the Lenders in any Aircraft or other Aircraft Assets, or any Leases, Related Security or other Borrower Collateral owned by, entered into by or related to such Borrower Subsidiary, or any interest therein other than to the extent expressly permitted under the Transaction Documents.

SECTION 10.5 Negative Pledge Clause. The Borrower shall not, and the Borrower shall not cause or permit any Borrower Subsidiary to enter into or cause, suffer or permit to exist, any agreement with any Person other than the Collateral Trustee, Administrative Agent, the Funding Agent and the Lenders pursuant to this Agreement or any other Transaction Documents which prohibits or limits the ability of the Borrower or any Borrower Subsidiary to create, incur, assume or suffer to exist any Adverse Claim upon any of its property, assets or revenues, whether now owned or hereafter acquired.

SECTION 10.6 Maintain Properties. The Borrower shall (i) with respect to each Aircraft that is subject to a Lease, but in any case subject to all applicable legal and contractual restraints on performing such obligation including such Lease (and subject to the cooperation of the applicable Lessee, which the Borrower agrees to direct the Servicer to pursue, consistent with the Servicer Standard of Performance), cause, directly or indirectly, through any Borrower Subsidiary, such Aircraft to be maintained in a state of repair and condition consistent with Leasing Company Practice with respect to similar aircraft under lease, taking into consideration, among other things, the age and condition of the Aircraft and the jurisdiction in which such Aircraft will be operated or registered under any Lease, and (ii) with respect to each Aircraft that is not subject to a Lease, maintain, and cause each Borrower Subsidiary to maintain, such Aircraft in a state of repair and condition consistent with Leasing Company Practice with respect to aircraft not under lease. The Borrower shall and shall cause each Borrower Subsidiary to maintain all other properties (*i.e.*, other than Funded Aircraft) necessary to its operations in good working order and condition, make all needed repairs, replacements and renewals to such

properties, and maintain free from Adverse Claims all trademarks, trade names, patents, copyrights, trade secrets, know-how, and other intellectual property and proprietary information (or adequate licenses thereto), in each case as are reasonably necessary to conduct its business as currently conducted or as contemplated hereby, all in accordance with customary and prudent business practices.

SECTION 10.7 Ownership, Operation and Leasing of Funded Aircraft. The Borrower shall not, and shall not permit any Borrower Subsidiary to:

(a) Other than in connection with a sale, transfer or other disposition permitted under Section 10.8, permit any Person other than the applicable Aircraft Owning Entity (or an Owner Participant as the Owner of all of the beneficial interest in an Owner Trust) to own beneficially or of record any Aircraft (except to the extent required by applicable law);

(b) Enforce any Lease with respect to any Aircraft in a manner other than the manner in which the Servicer is required to enforce such Lease under the Servicing Agreement;

(c) Enter into a Lease with respect to an Aircraft after the Initial Advance Date unless such Lease is an Eligible Lease and, while Critical Mass exists, such action does not constitute a Lessee Limitation Event; and

(d) Enter into a Future Lease with a Lessee that is domiciled in or organized under the laws of a country that is not, at the time of entry into such Future Lease, either (i) on the Approved Country List, (ii) a country as to which the Borrower shall have procured the Required Coverage Amount (with such Required Coverage Amount being determined after giving effect to the origination of such Future Lease), or (iii) unless the Borrower shall have first given the Administrative Agent at least ten (10) Business Days' written notice of its intent to enter into such Lease. Following such written notice, and before the Borrower may enter into such Lease, the Administrative Agent shall have up to ten (10) Business Days to determine whether it will request an additional legal opinion of the type it would be able to request, under Section 7.2(e)(vii)(C) hereof, if an Aircraft leased to such Lessee were to be the subject of an Additional Advance Request as a proposed Additionally Financed Aircraft hereunder. If the Administrative Agent makes such a request prior to the end of such ten Business Day period, the Borrower may not enter into such Lease until it has first delivered such a legal opinion to the Administrative Agent. If the Administrative Agent notifies the Borrower during such ten Business Day period that it is not requesting delivery of such a legal opinion, or if the Administrative Agent fails to notify the Borrower of its intent by the end of such ten Business Day period, then the Borrower may proceed to enter into such Lease (subject to any other applicable conditions or requirements herein or in any other Credit Document). It is understood that the foregoing provisions and conditions concerning a request for an additional legal opinion shall only apply to proposed or incipient Future Leases with a Lessee not currently the Lessee of the applicable Funded Aircraft, *i.e.*, such provisions and conditions shall not apply to Future Leases that are renewals or extensions of a Lease of the applicable Funded Aircraft with its existing Lessee.

SECTION 10.8 Limitation on Disposition of Aircraft. Without the prior written consent of the Administrative Agent, which such consent shall be granted or withheld in the sole and absolute discretion of the Administrative Agent, the Borrower shall not sell, transfer or otherwise dispose of any Aircraft or any Equity Interest in any Borrower Subsidiary, including, without limitation, in connection with an ABS Transaction, or allow any Borrower Subsidiary to sell, transfer or otherwise dispose of any Aircraft or any Equity Interest in any Borrower Subsidiary, including, without limitation, in connection with an ABS Transaction, except (x) in connection with transfers wholly among the Borrower Group Members (including, without limitation, transfers by the Borrower of Equity Interest in Aircraft Owning Entities to one or more newly formed Borrower Subsidiaries in connection with any Approved Restructuring), (y) pursuant to a Qualifying Purchase Option, or (z) pursuant to any such other sale, transfer or other disposition in which the following

conditions are satisfied:

(a) such sale, transfer or other disposition is not structured as a sale and leaseback transaction;

(b) the price for such sale, transfer or other disposition (net of closing costs, broker fees and other related expenses, and net of Tax liabilities payable by the Borrower or any Borrower Subsidiary attributable to such sale, transfer or disposition), together with the amount of any concurrent repayments to the Borrower of inter-company loans by any Holdco Subsidiary being sold, and/or by any Borrower Subsidiaries which such Holdco Subsidiary owns, equals or exceeds an amount equal to the Allocable Advance Amount with respect to the related Aircraft as of the date of such sale, transfer or other disposition (if the date of such sale, transfer or other disposition is a Payment Date) or as of the immediately preceding Payment Date (if the date of such sale, transfer or other disposition is not a Payment Date);

(c) such sale, transfer or other disposition (i) does not constitute an Aircraft Limitation Event or a Lessee Limitation Event, and (ii) does not have as its immediate effect causing Critical Mass to no longer exist, and (iii) occurs at a time when Critical Mass exists, and (iv) does not have as its immediate effect, that after giving effect to such sale, transfer or other disposition, that more than 10% (measured by Adjusted Borrowing Value) of all Aircraft in the Borrower's Portfolio will be Off-Lease; provided, that during the Amortization Period, such sale, transfer or other disposition may occur even if any of the foregoing conditions in clause (i), (ii) or (iii) is not met, so long as the price for such sale, transfer or other disposition (net of closing costs, broker fees and other related expenses, and net of Tax liabilities payable by the Borrower or any Borrower Subsidiary attributable to such sale, transfer or disposition) equals or exceeds an amount equal to, at least 125% of the Allocable Advance Amount with respect to the affected Aircraft as of the date of such sale, transfer or other disposition (if the date of such sale, transfer or other disposition is a Payment Date) or as of the immediately preceding Payment Date (if the date of such sale, transfer or other disposition is not a Payment Date), and provided further, that during either the Amortization Period or the period prior to the Amortization Period, such sale, transfer or other disposition may occur even if any of the foregoing conditions in clause (i), (ii) or (iii) is not met, so long as (A) such sale is occurring in connection with an ABS Transaction entered into for the purpose of refinancing a

substantial portion of the Funded Aircraft, and (B) after giving effect to the sale, no Borrowing Base Deficiency will then exist;

(d) no Event of Default or Early Amortization Event shall have occurred at or prior to the time of, or shall occur as a result of, such sale, transfer or other disposition;

(e) after giving effect to such sale, transfer or other disposition, and if the date of such sale, transfer or other disposition is a Payment Date, after giving effect to the distribution of funds under the Flow of Funds on such Payment Date, or if not, then after giving effect to the distribution of funds under the Flow of Funds on the next Payment Date, no Borrowing Base Deficiency will exist; and

(f) the board of directors of the Borrower shall have authorized the sale, transfer or other disposition.

The Borrower shall deposit, and shall cause the Borrower Subsidiaries to immediately deposit, in each case with written notice to the Collateral Agent, the proceeds of any such sale, transfer or other disposition, including, without limitation any such sale, transfer or other disposition of any Aircraft or any Equity Interests in any Borrower Subsidiary in connection with any ABS Transaction, into the Collection Account for application thereof (i) on the date of such deposit (in the case of the proceeds of an ABS Transaction or any significant sale, transfer or other disposition designated as such by the Administrative Agent) in the order of priority set forth in the Flow of Funds hereof with such holdbacks with respect to applications of funds (other than applications to the repayment of Advances) as the Administrative Agent deems desirable and (ii) on the next succeeding Payment Date (in any case other than the case of the proceeds of an ABS Transaction or any significant sale, transfer or other disposition designated as such by the Administrative Agent) in accordance with the Flow of Funds. On the date of any such sale, transfer or other disposition, the Borrower shall deliver to the Administrative Agent, amended and restated copies of Schedule I, Schedule II, and Schedule III hereto containing information that is correct after giving effect to such sale, transfer or other disposition.

In addition, and notwithstanding any provision of the Servicing Agreement, the Borrower agrees that it shall (1) cause each Borrower Subsidiary to only sell, transfer or otherwise dispose of, directly or indirectly, (a) any engine or part relating to an Aircraft (i) on the date that such Aircraft is sold, transferred or otherwise disposed of, or (ii) in connection with the replacement of such engine or part, and (b) an Aircraft to the extent permitted under the related Lease or any other Transaction Document, and (2) provide prior written notification of the sale, transfer or disposition of any Aircraft to the Administrative Agent.

Notwithstanding the foregoing, an Aircraft that has suffered an Event of Loss may be disposed of at the direction of an insurer that provided insurance covering such Event of Loss and has paid into the Collection Account all insurance proceeds to which the Collateral Agent, the Borrower and/or the applicable Borrower Subsidiary are entitled to receive in connection with such Event of Loss.

The provisions of this Section 10.8 shall not apply to or prohibit any repurchase or purchase in accordance with the remedial provisions of the AerCap-Borrower Purchase Agreement.

SECTION 10.9 Extension, Amendment or Replacement of Leases.

(a) Except as provided by this Section 10.9 (and in any case subject to the limitations of Section 10.7), the Borrower shall not allow any Borrower Subsidiary to transfer, assign, extend, amend, replace, or waive any term of, or otherwise modify any Lease, in any way that may cause such Lease to no longer constitute an Eligible Lease, or that would have a material adverse effect on the validity, perfection or priority of the security interest of the Collateral Agent therein.

(b) Upon the termination of any Lease with respect to any Aircraft, the Borrower shall cause the applicable Borrower Subsidiary to use its reasonable commercial efforts to renew such Lease or lease such Aircraft to another Eligible Carrier pursuant to an Eligible Lease and otherwise in compliance with the terms of the Servicing Agreement. No such renewal or additional Lease shall be permitted if it would constitute a Lessee Limitation Event.

(c) Upon execution of any renewal or replacement Lease, the Borrower or the applicable Borrower Subsidiary shall deliver:

(i) to the Collateral Agent, and only if the Lease is with a Lessor organized under the laws of a State (or the District of Columbia) within the United States within the meaning of Article 9 of the UCC, the Chattel Paper Original of such renewal or replacement Lease;

(ii) to the Collateral Agent, a Notice and Acknowledgment with respect to such Lease;

(iii) to the Collateral Agent and the Administrative Agent, certificates of insurance from qualified brokers of aircraft insurance or other evidence satisfactory to the Administrative Agent, evidencing all insurance required to be maintained by the applicable Obligor together with endorsements naming (i) the Collateral Agent, for the benefit of the Administrative Agent and the Lenders, as a "contract party" and listing the relevant Transaction Documents as "contracts" for purposes of certificates incorporating Lloyd's AVN67B endorsements or similar language or as "loss payee" or as an "additional insured", if applicable and (ii) each of the Borrower, the Borrower Subsidiary that is the owner, or lessor, of such Aircraft, the Collateral Agent and the Administrative Agent, on behalf of the Lenders, as an additional insured;

(iv) to the Administrative Agent, promptly and in any case within 15 days, a copy of such Lease, and an amended and restated Schedule III hereto incorporating all information required under such schedule with respect to such renewed or replacement Lease; and

(v) to the Collateral Agent , with respect to any renewal or replacement Lease, copies of such legal opinions with regard to compliance with the registration requirements of the relevant jurisdiction, enforceability of such Lease and such other matters customary for such transactions to the extent that receiving such legal opinions is consistent with Leasing Company Practice.

(d) The Borrower shall, and shall cause each applicable Borrower Subsidiary to, in each case, whether directly or through the Servicer, commence the negotiation of any commitment for an Eligible Lease or Leases in a manner consistent with the practices employed by the Servicer with respect to its aircraft operating leasing services business generally and in accordance with the terms of the Servicing Agreement.

SECTION 10.10 Acquisitions of Aircraft. The Borrower shall not acquire, and shall not cause or permit any Borrower Subsidiary to acquire any aircraft other than (i) an Aircraft, or (ii) from another Borrower Subsidiary in connection with an ABS Transaction.

SECTION 10.11 Servicing Agreement.

(a) No Modifications. The Borrower shall not amend, terminate, restate, supplement or otherwise modify any Service Provider Agreement in any respect without the consent of the Administrative Agent, provided, that with respect to any amendment, supplement or modification to be entered into for the purposes of adding additional terms and conditions to any Service Provider Agreement or in order to comply with applicable law, such consent may not be unreasonably withheld or delayed.

(b) Service Provider Agreements. The Borrower shall take all actions as are necessary to be in compliance with the Service Provider Agreements and to cause the applicable Service Provider to be in compliance with the applicable Service Provider Agreement to which it is party.

(c) Fees. The Borrower shall not, and shall not cause or permit any Borrower Subsidiary to, pay any management or other fee to AerCap or any Affiliate thereof other than payment of Service Provider Fees to the extent contemplated by this Agreement and the Service Provider Agreements.

(d) Breaches. The Borrower shall not commit or permit any material breach of any Service Provider Agreement.

SECTION 10.12 Representations Regarding Operation. The Borrower shall not, and shall not cause or permit any Borrower Subsidiary to represent or hold out, or permit any Applicable Carrier or Owner Trustee to represent or hold out, the Collateral Agent, the Administrative Agent, any Funding Agent or any Lender as (i) the owner or lessor of any Aircraft, (ii) carrying goods or passengers on any Aircraft, or (iii) being in any way responsible for any operation of carriage (whether for hire or reward or gratuitously) with respect to any Aircraft.

SECTION 10.13 Costs and Expenses. The Borrower shall pay all of its and its Subsidiaries' reasonable costs and disbursements in connection with the performance of its obligations hereunder and under the Transaction Documents.

SECTION 10.14 Compliance with Laws, Etc. The Borrower will, and the Borrower will cause each Borrower Subsidiary to, comply in all material respects with all Requirements of Law (including, without limitation, any Environmental Law), rules, regulations and orders and

preserve and maintain its corporate existence, rights, franchises, qualifications, and privileges except to the extent that the failure so to comply with such laws, rules and regulations or the failure so to preserve and maintain such existence, rights, franchises, qualifications, and privileges would not materially adversely affect the Borrower Collateral, the collectibility of the Leases or the ability of the Borrower, any Service Provider or such Borrower Subsidiary to perform its obligations under the Transaction Documents.

Without limiting the foregoing, the Borrower shall, and shall cause the Aircraft Owning Entities and Owner Participants to, obtain all material governmental (including regulatory) registrations, certificates, licenses, permits and authorizations required for the use and operation of the Aircraft Owned by it, including, without limitation, a current certificate of airworthiness for each Aircraft (issued by the applicable aviation authority and in the appropriate category for the nature of operations of such Aircraft), except that (A) no certificate of airworthiness will be required for any Aircraft (x) during any period when such Aircraft is undergoing maintenance, modification or repair, or (y) following the withdrawal or suspension by such applicable aviation authority of certificates of airworthiness in respect of all aircraft of the same model or period of manufacture as such Aircraft (in which case the Borrower and any applicable Borrower Subsidiary will comply, and cause each of its subsidiaries to comply, with all directions of such applicable aviation authority in connection with such withdrawal or suspension), or (z) with respect to a Lessee in any individual case, so long as the Servicer is enforcing, in accordance with the Servicer Standard of Performance, the applicable provisions of the Lease requiring the Lessee to cure such lapse and obtain a reinstatement of the applicable lapsed certificate of airworthiness, (B) no registrations, certificates, licenses, permits or authorizations required for the use or operation of any Aircraft need be obtained with respect to any period when such Aircraft is not being operated and (C) no such registrations, certificates, licenses, permits or authorizations will be required to be maintained for any Aircraft that is not the subject of a Lease, except to the extent required under Requirements of Law.

Notwithstanding the foregoing, no breach of this Section 10.14 shall be deemed to have occurred by virtue of any act or omission of a lessee or sub-lessee, or of any Person which has possession of the Aircraft or any engine for the purpose of repairs, maintenance, modification or storage, or by virtue of any requisition, seizure, or confiscation of the Aircraft (other than seizure or confiscation arising from a breach by the Borrower or a Borrower Subsidiary of this Section 10.14) (each, a "Third Party Event"); provided, that (i) neither the Borrower nor any Borrower Subsidiary consents or has consented to such Third Party Event; and (ii) the Borrower or Borrower Subsidiary which is the lessor or owner (or beneficial owner) of such Aircraft promptly and diligently takes such commercially reasonable actions as a leading international aircraft operating lessor would reasonably take in respect of such Third Party Event, including, as deemed appropriate (taking into account, inter alia, the laws of the jurisdictions in which the Aircraft are located), seeking to compel any applicable Obligor or any other relevant Person to remedy such Third Party Event or seeking to repossess the relevant Aircraft or engine.

SECTION 10.15 Environmental Compliance. If the Borrower or any of the Borrower Subsidiaries shall receive any letter, notice, complaint, order, directive, claim or citation alleging that the Borrower, any Service Provider or any of the Borrower Subsidiaries has violated any Environmental Law, has released any Hazardous Material, or is liable for the costs of cleaning

up, removing, remediating or responding to a release of Hazardous Materials, the Borrower shall, and shall cause any such Borrower Subsidiary to, within the time period permitted and to the extent required by the applicable Environmental Law or the Government Entity responsible for enforcing such Environmental Law, remove or remedy such violation or release or satisfy such liability.

SECTION 10.16 Employee Benefit Plans; Employees. None of the Borrower or any Borrower Subsidiary shall have (i) any Employee Benefit Plan, any Multiemployer Plan or any Pension Plan, or any obligation to fund any such plan, or (ii) any employees other than as required by any provisions of local law, provided that trustees and directors shall not be deemed to be employees for purposes of this covenant.

SECTION 10.17 Change in Business. The Borrower will not, nor will it permit or cause any of the Borrower Subsidiaries to, alter its policies and procedures relating to the operation of its aircraft leasing business in a manner which would materially adversely affect the collectibility of a substantial portion of the Leases or the ability of the Borrower to perform its obligations under this Agreement or any Transaction Document, without the prior written consent of the Administrative Agent.

SECTION 10.18 Notice of Adverse Claim or Loss. The Borrower shall notify the Lenders, the Collateral Agent, the Administrative Agent and each Funding Agent promptly, in writing and in reasonable detail, (i) of any Adverse Claim known to it made or asserted against any of the Borrower Collateral (other than Permitted Liens), (ii) of the occurrence of any event (other than a change in general market conditions) which would have a material adverse effect on the assignments and security interests granted by the Borrower or AerCap under any Transaction Document, and (iii) as soon as the Borrower or any Borrower Subsidiary becomes aware, of any loss, theft, damage, or destruction to any Aircraft if the potential cost of repair or replacement of such asset (without regard to any insurance claim related thereto) may exceed $5,000,000.

SECTION 10.19 Reporting Requirements.

(a) The Borrower (through itself or any applicable Service Provider) shall furnish, or cause to be furnished, to the Administrative Agent and each Funding Agent (in multiple copies, if requested by the Administrative Agent or any Funding Agent), and, in the case of clauses (i) and (vi) below, to the Collateral Agent:

(i) on each Determination Date, a certificate in substantially the form of Exhibit H to the Administrative Agent (the "Monthly Report");

(ii) as soon as available and in any event within 120 days after the end of each Fiscal Year, a copy of the audited consolidated financial statements, prepared in accordance with GAAP, for such year of each of the AerCap Group and the Borrower and their respective consolidated Subsidiaries, certified by any firm of nationally recognized independent certified public accountants acceptable to the Administrative Agent, accompanied by a certificate of the officer in charge of financial matters of

AerCap Group, confirming that AerCap Group is in compliance with the net worth requirement in Section 12.1(f) hereof;

(iii) as soon as available and in any event within 75 days after the end of each of the first three quarters of each Fiscal Year, with respect to (x) the AerCap Group and (y) the Borrower and its consolidated Subsidiaries, unaudited consolidated balance sheets as of the end of such quarter and as at the end of the previous Fiscal Year, and consolidated statements of income for such quarter and for the period commencing at the end of the previous Fiscal Year and ending with the end of such quarter prepared in accordance with GAAP, certified by the officer in charge of financial matters of the AerCap Group or the Borrower, as applicable, identifying such balance sheets or statements as being the balance sheets or statements of such Person described in this paragraph (iii) and stating that the information set forth therein fairly presents the financial condition of the AerCap Group or the Borrower, as applicable, and its consolidated Subsidiaries as of and for the periods then ended, subject to year-end adjustments consisting only of normal, recurring accruals and omissions of footnotes and subject to the auditors' year end report, and accompanied by a certificate of the officer in charge of financial matters of AerCap Group confirming that AerCap Group is in compliance with the net worth requirements in Section 12.1(f) hereof;

(iv) promptly after receipt thereof, a copy of any "management letter" received by the Borrower from its certified public accountants and the management's response thereto;

(v) on every third Determination Date following the Original Closing Date, the Borrower shall deliver or cause to be delivered a Quarterly Report to the Administrative Agent and each Funding Agent;

(vi) as soon as possible and in any event within five (5) days after the occurrence of a Default, an Event of Default, a Servicer Termination Event, an Early Amortization Event, an event that would constitute a Servicer Termination Event or Early Amortization Event but for the passage of time or the giving of notice or both, a written statement of an officer in charge of financial matters of the Borrower setting forth complete details of such Default, Event of Default, Servicer Termination Event, Early Amortization Event or any such other event, and the action, if any, which the Borrower has taken, is taking and proposes to take with respect thereto;

(vii) promptly after the Borrower obtains knowledge thereof, notice of any default under the AerCap-Borrower Purchase Agreement or any Borrower Acquisition Document;

(viii) promptly after receipt thereof, copies of all formal notices (other than an inconsequential notices) received by the Borrower or the Servicer from the seller under the AerCap-Borrower Purchase Agreement;

(ix) promptly, from time to time, such other information, documents, Records or reports respecting the Aircraft, the Leases, the Equity Interests of the

Borrower Subsidiaries, the Related Security or the condition or operations, financial or otherwise, of the Borrower, the Borrower Subsidiaries or any of their respective Subsidiaries which the Collateral Agent, the Administrative Agent or any Funding Agent may, from time to time, reasonably request; and

(x) prompt written notice of the issuance by any court or governmental agency or authority of any injunction, order, decision or other restraint prohibiting, or having the effect of prohibiting, the making of the Advances hereunder, or invalidating, or having the effect of invalidating, any provision of this Agreement, or any other Transaction Document, or the initiation of any litigation or similar proceeding seeking any such injunction, order, decision or other restraint, in each case, of which it has knowledge.

(b) The Borrower shall provide each Service Provider with any and all information reasonably necessary or appropriate for such Service Provider in connection with its duties hereunder and under the applicable Service Provider Agreements.

(c) The Administrative Agent, the Funding Agents and the Lenders are hereby authorized to deliver a copy of any such financial or other information delivered hereunder to the Lenders (or any affiliate of any Lender) or to the Administrative Agent or any Funding Agent, to any Government Entity having jurisdiction over any such Person pursuant to any written request therefor or in the ordinary course of examination of loan files, to any rating agency in connection with their respective ratings of commercial paper issued by any Lender or to any other Person who shall acquire or consider the assignment of, or acquisition of any participation interest in, any Obligation permitted by this Agreement; provided, that such Person agrees in writing to the confidentiality provisions set forth in Section 17.15.

SECTION 10.20 Corporate Separateness.

(a) The Borrower shall at all times maintain independent directors (which must constitute a majority of all directors), each of which (i) does not have any direct financial interest or any material indirect financial interest in AerCap, the Borrower, or in any Affiliate of the Borrower, (ii) is not, and has not been, connected with AerCap, the Borrower, or any Affiliate of the Borrower as an officer, employee, promoter, underwriter, trustee, partner or Person performing similar functions and is not a member of the immediate family of any such person and (iii) is not, and has not been, a director, member or a trustee (other than as an independent director, member or trustee for an Affiliate which is a special purpose entity) or stockholder of AerCap, the Borrower, or any Affiliate of the Borrower and is not a member of the immediate family of any such person. The Borrower shall cause each Borrower Subsidiary (other than an Owner Trust) to at all times maintain independent directors, members or trustees (which must constitute a majority of all such positions), as applicable, each of which (i) does not have any direct financial interest or any material indirect financial interest in AerCap, the Borrower, or any Affiliate of the Borrower, (ii) is not, and has not been, connected with AerCap, the Borrower, or any Affiliate of the Borrower as an officer, employee, promoter, underwriter, trustee, partner or Person performing similar functions and is not a member of the immediate family of any such person and (iii) is not, and has not been, a director, member or a trustee (other than as an independent director, member or trustee for an Affiliate which is a special purpose

entity) or stockholder of AerCap, the Borrower, or any Affiliate of the Borrower and is not a member of the immediate family of any such person.

(b) The Borrower shall not direct or participate in the management of any other Person's operations other than in its capacity as owner of Equity Interests in the Borrower Subsidiaries, and (except to the extent permitted under the Service Provider Agreements) no other Person, other than the officers, trustees and owner of the Borrower, shall be permitted to direct or participate in the management of the Borrower. The Borrower shall cause each Borrower Subsidiary to (i) not direct or participate in the management of any other Person's operations other than in its capacity as owner of Equity Interests in any other Borrower Subsidiaries and (ii) (except to the extent permitted under the Service Provider Agreements) prevent any other Person, other than the officers, trustees and owners of such Borrower Subsidiary, from directing or participating in the management of such Borrower.

(c) [Reserved]

(d) The Borrower shall limit its business and activities to (i) the acquisition and ownership of the Borrower Subsidiaries and/or Aircraft, (ii) effectuating any Approved Restructuring, (iii) the sale of the Borrower Subsidiaries and/or Aircraft as and when permitted hereunder, (iv) entering into and performing under the Transaction Documents, (v) entering into and performing under the documents relating to, and taking other actions related to, any ABS Transaction or Lease, and (vi) business incidental to such activities. The Borrower will be permitted to guarantee the obligations under Leases of the Aircraft Owning Entities and the Applicable Intermediaries. The Borrower shall cause each Borrower Subsidiary to limit its business and activities to (i) the acquisition and ownership (or beneficial ownership) and lease of the Aircraft and/or the ownership of other Borrower Subsidiaries, (ii) the sale of the Aircraft as and when permitted hereunder, (iii) entering into and performing under the Transaction Documents, (iv) entering into and performing under the documents relating to, and taking other actions related to, any ABS Transaction (including any Approved Restructuring) or Lease, and (v) business incidental to such activities.

(e) The Borrower shall have stationery and other business forms separate from that of any other Person. The Borrower shall cause each Borrower Subsidiary to have stationery and other business forms separate from that of any other Person.

(f) The Borrower shall ensure that, to the extent that it, or any Borrower Subsidiary, jointly contracts with any of its equity holders or Affiliates to do business with vendors or service providers or to share overhead expenses, the costs incurred in so doing shall be allocated fairly among such entities and that each such entity shall bear its fair share of such costs and shall ensure that, to the extent that the Borrower, or any Borrower Subsidiary, contracts or does business with vendors or service providers where the goods and services provided are partially for the benefit of any other Person, the costs incurred in so doing shall be fairly allocated to or among such entities for whose benefit the goods and services are provided and that each such entity shall bear its fair share of such costs.

(g) The Borrower shall at all times provide for its own operating expenses and liabilities from its own funds, shall not allow its funds to be diverted to any other Person or for

any use other than the use of the Borrower and any Borrower Subsidiary, and shall not, except as may be expressly permitted by the Transaction Documents, allow its funds to be commingled with those of any other Person other than any Borrower Subsidiary. The

Borrower shall cause each Borrower Subsidiary to at all times provide for its own operating expenses and liabilities from its own funds, not allow its funds to be diverted to any other Person or for other than the corporate use of such Borrower Subsidiary, and shall not, except as may be expressly permitted by the Transaction Documents, allow its funds to be commingled with those of any other Person, other than with the Borrower and any other Borrower Subsidiary.

(h) Except as otherwise required to effectuate an Approved Restructuring, the Borrower shall maintain its assets and transactions separately from those of any other Person, and evidence such assets and transactions by appropriate entries in books and records separate and distinct from those of any other Person. Except as otherwise required to effectuate an Approved Restructuring, the Borrower shall cause each Borrower Subsidiary to maintain its assets and transactions separately from those of any other Person and evidence such assets and transactions by appropriate entries in books and records separate and distinct from those of any other Person.

(i) The Borrower shall ensure that all transactions between the Borrower and any of its Affiliates shall be only on an arm's-length basis (it being understood and agreed that the foregoing shall not prohibit transfers by the Borrower of Equity Interest in Aircraft Owning Entities to one or more newly formed Borrower Subsidiaries, or any related transactions, in connection with any Approved Restructuring). The Borrower shall cause each Borrower Subsidiary to ensure that all transactions between such Borrower Subsidiary and any of its Affiliates shall be only on an arm's-length basis (it being understood and agreed that the foregoing shall not prohibit transfers by the Borrower of Equity Interest in Aircraft Owning Entities to one or more newly formed Borrower Subsidiaries, or any related transactions, in connection with any Approved Restructuring).

(j) The Borrower shall hold itself out to the public under its own name as a legal entity separate and distinct from any other Person, shall act solely in its own name and through its own authorized officers and agents, and no Affiliate of the Borrower shall be appointed to act as agent by the Borrower, except as may be expressly permitted by any agreements of the Borrower.

(k) The Borrower shall not hold itself out as having agreed to pay, or as being liable, primarily or secondarily, for any obligations of any other Person other than it may guaranty the obligations of a Borrower Subsidiary. The Borrower shall cause each Borrower Subsidiary to not hold itself out as having agreed to pay, or as being liable, primarily or secondarily, for any obligations of any other Person, except as contemplated by the Transaction Documents.

(l) Except as provided herein, the Borrower shall not maintain, or allow any Borrower Subsidiary to maintain, any joint account with any other Person.

(m) The Borrower shall not make any payment or distribution of assets with respect to any obligation of any other Person, except the Borrower Subsidiaries, or grant any Lien on any of its assets to secure any obligation of any other Person. The Borrower shall not allow any

Borrower Subsidiary to make any payment or distribution of assets with respect to any obligation of any other Person or grant any Lien on any of its assets to secure any obligation of any other Person other than the Obligations of the Borrower.

(n) The Borrower shall not make loans, advances or otherwise extend credit to any other Person (provided that the Borrower may guaranty obligations of its Subsidiaries), except on an arm's-length basis, and shall not permit any Affiliate of the Borrower to advance funds to the Borrower or otherwise supply funds to, or guaranty debts of, the Borrower (except Servicer Advances and advances under the AerCap Liquidity Facility to fund Approved Asset Improvements, and advances under the AerCap Sub Notes), it being understood and agreed that the foregoing shall not prohibit any loans or advances made in connection with any Approved Restructuring or the repayment of such loans and advances in connection with an ABS Transaction. The Borrower shall not allow any Borrower Subsidiary to make loans, advances or otherwise extend credit to any other Person, except on an arm's-length basis, and shall not permit any Affiliate of such Borrower Subsidiary, other than the Borrower, to advance funds to such Borrower Subsidiary or otherwise supply funds to, or guaranty debts of, such Borrower Subsidiary, it being understood and agreed that the foregoing shall not prohibit any loans or advances made in connection with any Approved Restructuring or the repayment of such loans and advances in connection with an ABS Transaction.

(o) The Borrower shall hold regular duly noticed meetings of the holders of its Equity Interests, no less than once annually, and make and retain minutes of such meetings. The Borrower shall cause each Borrower Subsidiary to hold regular duly noticed meetings of the holders of its Equity Interests, no less than once annually, and make and retain minutes of such meetings.

(p) The Borrower shall file its own tax returns or, if it is a member of a consolidated group, will join in the consolidated return of such group as a separate member thereof and shall ensure that any financial reports required of the Borrower shall comply with GAAP and shall be issued separately from, but may be consolidated with, any reports prepared for any of its Affiliates. The Borrower shall cause each Borrower Subsidiary to file its own tax returns or, if such Borrower Subsidiary is a member of a consolidated group, will join in the consolidated return of such group as a separate member thereof and shall ensure that any financial reports required of such Borrower Subsidiary shall comply with GAAP and shall be issued separately from, but may be consolidated with, any reports prepared for any of its Affiliates.

(q) The Borrower shall maintain its assets in such a manner that it will not be costly or difficult to segregate, ascertain or identify its individual assets from those of any other Person. The Borrower shall cause each Borrower Subsidiary to maintain its assets in such a manner that it will not be costly or difficult to segregate, ascertain or identify its individual assets from those of any other Person.

(r) The Borrower shall comply with and exercise its rights under all provisions of the Operating Documents and Organizational Documents. The Borrower shall cause each Borrower Subsidiary to comply with all provisions of its Operating

Documents and Organizational Documents.

SECTION 10.21 Purchase Agreement. The Borrower will not amend, waive or modify any provision of the AerCap-Borrower Purchase Agreement (other than any such amendment, waiver or modification which shall not affect, directly or indirectly, the rights, benefits and privileges of the Borrower or any Lender thereunder or the obligations and duties of AerCap thereunder) or waive the occurrence of any default under the AerCap-Borrower Purchase Agreement, without in each case the prior written consent of the Administrative Agent. The Borrower will perform all of its obligations under the AerCap-Borrower Purchase Agreement in all respects and will enforce all of its rights under the AerCap-Borrower Purchase Agreement (including without limitation, its rights to require a repurchase thereunder pursuant to Article 4.5 thereof), in accordance with its terms in all respects.

SECTION 10.22 Limitation on Certain Restrictions on Borrower Subsidiaries. The Borrower shall not, and shall not cause or permit any Borrower Subsidiary to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any encumbrance or restriction on the ability of any Borrower Subsidiary to (i) pay dividends or make any other distributions on its Equity Interests owned by the Borrower or any other Borrower Subsidiary or pay any Indebtedness owed to the Borrower or any other Borrower Subsidiary, (ii) make loans or advances to the Borrower or any other Borrower Subsidiary or (iii) transfer any of its properties to the Borrower or any other Borrower Subsidiary, except for such encumbrances or restrictions existing under or by reason of (x) a Requirement of Law, (y) this Agreement or any other Transaction Documents or (z) any Lease or any agreement regarding the sale of an Aircraft or a Borrower Subsidiary to be made in compliance with Section 10.8 hereof.

SECTION 10.23 Mergers, Etc.

Other than to the extent permitted by Section 10.8 hereof, the Borrower will not, and shall not cause or permit any Borrower Subsidiary to, merge with or into or consolidate with or into, or convey, transfer, lease or otherwise dispose of (whether in one transaction or in a series of transactions), all or substantially all of its assets (whether now owned or hereafter acquired) to, or acquire all or substantially all of the assets or capital stock or other ownership interest of, or enter into any joint venture or partnership agreement with, any Person.

SECTION 10.24 Distributions, Etc. The Borrower will not declare or make any dividend payment or other distribution of assets, properties, cash, rights, obligations or securities on account of any Equity Interests of the Borrower, or return any capital to its equity holders as such, or purchase, retire, defease, redeem or otherwise acquire for value or make any payment in respect of any of the Equity Interests of the Borrower or any warrants, rights or options to acquire any such Equity Interests, now or hereafter outstanding; provided, however, that the Borrower may declare and pay cash or other dividends on its Equity Interests to its equity holders from funds distributed to the Borrower pursuant to the Flow of Funds so long as (a) no Event of Default shall then exist or would occur as a result thereof, (b) such dividends are in compliance with all applicable law, and (c) such dividends have been approved by all necessary and appropriate entity action of the Borrower.

SECTION 10.25 Subsidiaries; Investments. The Borrower shall not, and shall not cause or permit any Borrower Subsidiary to, own, create or permit to exist any Subsidiary (except for Borrower Subsidiaries in existence as of the Initial Advance Date or Applicable Intermediaries

created after the Initial Advance Date provided that (i) such Applicable Intermediaries comply with all representations, warranties and covenants hereunder regarding Borrower Subsidiaries and (ii) the beneficial interests in such Applicable Intermediaries have been pledged under the Security Trust Agreement), or otherwise purchase, own, invest in or otherwise acquire, directly or indirectly, any stock or other securities, or make or permit to exist any interest whatsoever in any other Person or permit to exist any loans or advances to any Person (other than Permitted Investments), other than loans to the Borrower or any Borrower Subsidiary.

SECTION 10.26 Guarantees. The Borrower shall not, and shall cause each Borrower Subsidiary not to, make, issue, or become liable on any Contingent Liabilities, except (a) the Security Trust Agreement and the other Transaction Documents, (b) guarantees of the Indebtedness allowed under Section 10.27, (c) endorsement in the ordinary course of business of negotiable instruments for deposit or collection and (d) in the case of the Borrower, guarantees of the obligations of Aircraft Owning Entities and Applicable Intermediaries.

SECTION 10.27 Indebtedness. The Borrower shall not, and shall cause each Borrower Subsidiary not to, incur or maintain any Indebtedness, other than the (a) the Obligations, (b) Indebtedness permitted under Section 10.25, (c) Indebtedness among Borrower Group Members, (d) accounts payable in the ordinary course of business so long as the payment therefor is due within one year, and (e) Indebtedness to any member of the AerCap Group for the purpose of funding the acquisition of Aircraft or Aircraft Owning Entities or Approved Asset Improvements or for other purposes approved by the Administrative Agent; provided, that such Indebtedness is evidenced by an AerCap Sub Note.

SECTION 10.28 Organizational Documents. Except as otherwise required to effectuate an Approved Restructuring, the Borrower shall not, and shall not cause or permit any Borrower Subsidiary to, modify, amend, or alter any of its Organizational Documents or its Operating Documents without the prior written consent of the Administrative Agent.

SECTION 10.29 Audits; Inspections. Until the date on which all Obligations are paid in full, and in any case not more frequently than four (4) times per calendar year (unless an Event of Default shall have occurred), each of the Borrower and the Servicer

will, and the Borrower will cause the Borrower Subsidiaries to, at their respective expense from time to time during regular business hours as requested by the Administrative Agent, permit such Person or its agents or representatives (which shall not include independent public accountants) (i) subject to any limitations in a Lease, to conduct periodic inspections of the Aircraft, the Leases, the Related Security, the other Aircraft Assets and the related books and records and collections systems of the Borrower, the Servicer and any Borrower Subsidiary, as the case may be, (ii) to examine and make copies of and abstracts from all books, records and documents (including, without limitation, computer tapes and disks) in the possession or under the control of the Borrower, the Servicer and any Borrower Subsidiary, as the case may be, relating to the Aircraft, the Leases, the Related Security and the other Aircraft Assets, and (iii) to visit the offices and properties of the Borrower, the Servicer and any Borrower Subsidiary, as the case may be, for the purpose of examining such materials described in clause (ii) above, and to discuss matters relating to Aircraft, the Leases, the Related Security, the other Aircraft Assets or the Borrower's, the Servicer's or any Borrower Subsidiary's performance under the Transaction Documents or

under the Leases with any of the officers or employees of the Borrower, the Servicer or any Borrower Subsidiary, as the case may be, having knowledge of such matters. In addition, upon the request of the Administrative Agent, no more than once per year (with such limitation applicable only prior to the occurrence of an Event of Default), the Borrower will, at its expense (not to exceed $50,000 in any calendar year prior to the occurrence of an Event of Default, after which such expense limitation shall no longer apply), appoint an agent or representative of the Administrative Agent, including a consulting arm of an accounting firm of independent public accountants (but otherwise not an independent public accountant), or utilize the representatives or auditors of the Administrative Agent, to prepare and deliver to the Administrative Agent, a written report with respect to the Aircraft and the Leases (including, in each case, the systems, procedures and records relating thereto) on a scope and in a form reasonably requested by the Administrative Agent.

SECTION 10.30 Use of Proceeds; Margin Regulations.

(a) Use of Proceeds. The proceeds of the Advances are to be used solely: (i) to repay the Original Agreement Repayment Amount, (ii) to finance the purchase by the Borrower from AerCap, on a "true sale" basis, of Equity Interests in Aircraft Owning Entities and Owner Participants, pursuant to the AerCap-Borrower Purchase Agreement, which interests AerCap has acquired from the applicable Sellers pursuant to the related Aircraft Acquisition Documents (collectively, the "Borrower Acquisition"), (iii) in the case of Improvement Advances, to finance a reimbursement or otherwise in respect of Approved Asset Improvement Costs, (iv) in the case of Critical Mass Event Advances and Increased Availability Advances, to utilize availability arising under this Agreement due to Critical Mass Advance Rate Adjustments or other changes in Advance Rate Adjustments, (v) in the case of Initial Advances, to pay certain expenses and (vi) in the case of Class B Advances, and in addition to the foregoing, to fund the Liquidity Reserve Account to the Required Liquidity Reserve Amount in connection with a related Borrower Acquisition.

(b) Margin Regulations. The Borrower shall not permit the proceeds of any Advance to be used for any purpose which entails a violation of, or is inconsistent with, Regulation T, U or X of the Board of Governors of the Federal Reserve System of the United States.

SECTION 10.31 Accounting; Irish Tax Residency. The Borrower shall not, and shall not cause or permit any Borrower Subsidiary, to (i) change its Fiscal Year, or have any fiscal year other than the Fiscal Year or (ii) make or permit any change in accounting policies or reporting practices, without the consent of the Administrative Agent, except changes that are required by or in accordance with GAAP. In addition, the Borrower shall not take any affirmative action which would cause it to no longer be tax resident in Ireland.

SECTION 10.32 Hedging Policy; Currency Risks.

(a) The Borrower shall maintain, as of and after the Closing Date, a hedging policy ("Hedging Policy") consistent with the criteria and provisions set forth on Exhibit O hereto, and with any changes in such Hedging Policy to be made subject to the provisions set forth on Exhibit O.

(b) The Borrower further covenants and agrees to implement and comply with its Hedging Policy as in effect from time to time, by entering into Eligible Hedge Agreements with Eligible Counterparties as necessary to so comply.

(c) The Borrower agrees that it will not maintain Leases payable in Euros, with respect to Leases on Aircraft that in the aggregate have an Allocable Advance Amount exceeding $50,000,000.

SECTION 10.33 [Reserved].

SECTION 10.34 Insurance.

(a) The Borrower shall maintain in full force and effect the Contingent Policy and shall maintain, and shall cause the Insurance Servicer and each Borrower Subsidiary to, maintain or cause to be maintained with respect to each Aircraft and all other Borrower Collateral all other insurance required pursuant to the Servicing Agreement.

(b) Neither the Contingent Policy, nor any policy implementing the Required Coverage Amount as described in subsection (d) below, shall be amended without the prior written consent of the Administrative Agent, which consent with respect to any amendment that does not adversely affect the coverages or other terms or protections provided by the Contingent Policy or such other policy, will not

be unreasonably withheld or delayed.

(c) The Borrower shall deliver to the Administrative Agent copies of Lessee insurance certificates evidencing the insurance coverages required under the applicable Lease, to the extent not delivered at or prior to the related Additional Advance Date, as soon as available (provided that the Servicer is undertaking efforts to obtain the same from the Lessee, consistent with the Servicer Standard of Performance).

(d) The Borrower agrees that, to the extent that it shall have obtained the Required Coverage Amount in respect of a country to be included (or treated as if included) on the Approved Country List, that it will maintain such Required Coverage Amount in effect for so long as the Borrower's Portfolio has exposure to such country.

SECTION 10.35 Anti-Terrorism Law; Anti-Money Laundering. The Borrower shall not, nor shall it permit or cause any Borrower Subsidiary to:

(a) Anti-Terrorism Law. Directly or indirectly, (i) knowingly conduct any business or engage in making or receiving any contribution of funds, goods or services to or for the benefit of any person described in Section 9.22, (ii) knowingly deal in, or otherwise engage in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order or any other Anti-Terrorism Law, or (iii) knowingly engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law (and the Borrower, the Aircraft Owning Entities and the Owner Participants shall, and shall cause any Borrower Subsidiary to, deliver to the Lenders any certification or other evidence requested from

time to time by any Lender in its reasonable discretion, confirming their compliance with thisSection 10.35).

(b) Money Laundering. Cause or permit any of the funds of any of them that are used to repay the Advances to be derived from any unlawful activity with the result that the making of the Advances would be in violation of any Requirement of Law.

SECTION 10.36 Embargoed Person. The Borrower shall not, nor shall it permit or cause any Borrower Subsidiary to, cause or permit (a) any of the funds or properties of any of them that are used to repay the Advances to constitute property of, or be beneficially owned directly or indirectly by, any person subject to sanctions or trade restrictions under United States law ("Embargoed Person" or "Embargoed Persons") that is identified on (1) the "List of Specially Designated Nationals and Blocked Persons" maintained by OFAC and/or on any other similar list maintained by OFAC pursuant to any authorizing statute including, but not limited to, the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701 et seq., The Trading with the Enemy Act, 50 U.S.C. App. 1 et seq., and any Executive Order or Requirement of Law promulgated thereunder, with the result that such investment (whether directly or indirectly) is prohibited by a Requirement of Law, or the Advances made by the Lenders would be in violation of a Requirement of Law, or (2) the Executive Order, any related enabling legislation or any other similar Executive Orders or (b) any Embargoed Person to have any direct or indirect interest of any nature whatsoever in any of the Borrower or any Borrower Subsidiary, with the result that such investment (whether directly or indirectly) is prohibited by a Requirement of Law or the Advances are in violation of a Requirement of Law.

SECTION 10.37 ANA Additional Covenants. (i) The Borrower and the Servicer shall cause Opal to cause Tateha to convey title to the ANA Aircraft to Opal under the terms of the Tateha Sale and Conditional Repurchase Agreement on the Original Scheduled Expiry Date (as defined in the Tombo Sublease, and not giving effect to any extension thereof), and (ii) the Borrower shall not permit the term of either the Tombo Sublease or the ANA Sublease to be extended beyond such date, except that in the case of clause (i) or clause (ii) the Borrower and the Servicer shall not be so obligated if they shall have obtained the prior written consent of the Administrative Agent, which consent shall not be unreasonably withheld, except that no such consent shall be required if on the Original Scheduled Expiry Date (not giving effect to any extension thereof) Tateha holds no assets other than title to the ANA Aircraft. Neither the Borrower nor any Service Provider shall, nor shall the Borrower allow any Borrower Subsidiary to, convey title to any aircraft or any other asset to Tateha on or after the date hereof.

SECTION 10.38 ABS Asset Purchase Agreement. The Servicer shall take all actions necessary under any ABS Asset Purchase Agreement in order to cause each related ABS Subject Aircraft to be transferred to the related ABS Issuer as promptly as possible on or after the closing date with respect to such ABS Asset Purchase Agreement.

ARTICLE XI

THE SERVICE PROVIDERS

SECTION 11.1 [Reserved]

SECTION 11.2 Service Providers Not to Resign. No Service Provider shall resign from the obligations and duties imposed on it by this Agreement or the applicable Service Provider Agreements to which it is a party, except upon a determination that, by reason of a change in legal requirements, the performance of its duties under this Agreement or the applicable Service Provider Agreements, as the case may be, would cause it to be in violation of such legal requirements in a manner which would result in a material adverse effect on such Service Provider, and the Administrative Agent does not elect to waive the obligations of the Service Provider to perform the duties

which render it legally unable to act or to delegate those duties to another Person. Any such determination permitting the resignation of the Service Provider shall be evidenced by an Opinion of Counsel to such effect delivered and acceptable to the Administrative Agent. No resignation of a Service Provider shall become effective until an entity acceptable to the Administrative Agent shall have assumed the responsibilities and obligations of such Service Provider.

ARTICLE XII

SERVICE PROVIDER TERMINATION EVENTS

SECTION 12.1 Servicer Termination Event. For purposes of this Agreement, each of the following shall constitute a "Servicer Termination Event":

(a) (i) Any failure by any Service Provider to make any deposit of funds to the Security Deposit Account, the Maintenance Reserve Account, or the Collection Account required to be made by the applicable Service Provider by the later of (A) ten (10) Business Days after such deposit is required under this Agreement or any other Credit Document; or (B) if such funds were not identifiable, when received, as being a payment related to an Aircraft Owned by a Borrower Group Member, ten (10) Business Days after the applicable Service Provider has determined that such funds were a payment related to an Aircraft Owned by a Borrower Group Member or (ii) any failure by the Servicer to (x) deliver a Quarterly Report within ten (10) Business Days after the due date thereof or (y) deliver a Monthly Report within two (2) Business Days after the due date thereof;

(b) Failure on the part of (i) the Insurance Servicer to maintain the insurance required by Section 10.34 hereof or (ii) any Service Provider, to duly to observe or perform any covenants or agreements of such Service Provider set forth in this Agreement or the applicable Service Provider Agreement (other than those described in clause (a) above), or any other Transaction Document on its part to be performed or observed and any such failure shall remain unremedied for thirty (30) days;

(c) Any representation, warranty or statement of any Service Provider made in this Agreement or the applicable Service Provider Agreement, or any certificate, report or other writing delivered pursuant hereto or thereto shall prove to be untrue or incorrect in any material and adverse respect as of the time when the same shall have been made;

(d) The Servicer shall cease to be otherwise engaged (*i.e.*, not solely due to the transactions financed hereby) in the aircraft leasing business;

(e) An Event of Bankruptcy shall have occurred with respect to any Service Provider or the Supporting Party;

(f) AerCap Group shall fail to maintain a consolidated net worth calculated in accordance with GAAP equal to at least $100,000,000, or any Service Provider shall cease to be a direct or indirect Subsidiary of AerCap Holdings N.V. (or the successor parent entity described in the succeeding proviso in this sentence), provided, that to the extent that AerCap Holdings N.V. is succeeded as the parent entity of AerCap Group and such successor entity issues a replacement supporting obligation, equivalent in form and substance, to both the Indemnification Agreement and the Purchase Agreement Guaranty, then the aforementioned consolidated net worth test will thereafter apply to such successor parent entity and its consolidated subsidiaries;

(g) the Servicer shall have been terminated (1) for cause (whether automatically or by the actions of any Person with the right to cause such termination) in its comparable capacity as a manager, servicer, administrative agent, insurance servicer, cash manager (or any similar capacity) with respect to any transaction involving both (X) a portfolio of aircraft and/or aircraft leases and (Y) Indebtedness secured by such portfolio in an amount which shall then exceed $50,000,000; or

(h) (i) The Indemnification Agreement shall, in whole or in part, terminate, cease to be effective or cease to be the legally valid, binding and enforceable obligation of the Supporting Party; or (ii) the Supporting Party shall, directly or indirectly, contest in writing the effectiveness, validity, binding nature or enforceability of the Indemnification Agreement, or (iii) the Supporting Party shall default in the performance of its obligations under the Indemnification Agreement.

SECTION 12.2 Consequences of a Servicer Termination Event. If a Servicer Termination Event shall occur and be continuing, the Administrative Agent, by written notice given to any Service Provider, may terminate all of the rights and obligations of any one or more individual Service Providers, or all the Service Providers, under this Agreement and the Service Provider Agreements. On such date as is indicated in such written notice, or in a subsequent written notice given by the Administrative Agent to the applicable Service Providers, all authority, power, obligations and responsibilities of such Service Providers under this Agreement and the applicable Service Provider Agreements, automatically shall terminate and shall pass to, be vested in and become obligations and responsibilities of a successor Service Provider selected in accordance with Section 12.3; provided, however, that the successor Service Provider shall have no liability with respect to any obligation which was required to be performed by the prior Service Provider prior to the date that the successor Service Provider becomes the Service Provider or any claim of a third party based on any alleged action or

inaction of the prior Service Provider. The successor Service Provider is authorized and empowered by this Agreement to execute and deliver, on behalf of the prior Service Provider, as attorney-in-fact or otherwise, any and all documents and other instruments and to do or accomplish all other acts or things necessary or appropriate to effect the purposes of such notice of termination. The prior Service

Provider agrees to cooperate with the successor Service Provider in effecting the termination of the responsibilities and rights of the prior Service Provider under this Agreement and the applicable Service Provider Agreement, including, without limitation and at the prior Service Provider's expense, in the case of the removal of the Cash Manager, to transfer to the successor Service Provider for administration by it of all cash amounts that shall at the time be held by the Cash Manager in trust for the Borrower, or have been deposited by any prior Service Provider, in the Security Deposit Account, the Maintenance Reserve Account, the Liquidity Reserve Account, any Non-Trustee Account and/or the Collection Account or thereafter received with respect to any Collections and the delivery to the successor Service Provider of all Records and computer data in readable form containing all information necessary to enable the successor Service Provider to perform its services under the applicable Service Provider Agreement including, with respect to the replacement of the Servicer, to service the Leases and the Aircraft and manage the interests of the Borrower, the Aircraft Owning Entities and the Owner Participants and otherwise assume the rights and obligations of the prior Service Provider under this Agreement and the applicable Service Provider Agreement; provided, however, that the prior Service Provider may retain copies of any items so delivered; and, provided further that the prior Service Provider shall not be liable for any acts, omissions or obligations of any successor Service Provider. If requested by the Administrative Agent, in the event the Servicer is replaced it shall, and if the prior Servicer fails to, the successor Servicer or the Collateral Agent may, notify the Obligors and direct them to make all payments under the Leases directly to (x) the successor Servicer (in which event the successor Servicer shall process such payments in accordance with Section 8.1), or (y) to a lockbox established by the successor Servicer at the direction of the Administrative Agent, at the prior Servicer's expense. The terminated Service Provider shall grant the Collateral Agent, the Administrative Agent, each Funding Agent and the successor Service Provider reasonable access within one (1) Business Day's notice to the terminated Service Provider's premises at the terminated Service Provider's expense.

SECTION 12.3 Appointment of Successor Service Provider; New Service Provider Agreement.

(a) On and after the time a Service Provider receives a notice of termination pursuant to Section 12.2 or Section 13.2(c), the Administrative Agent shall appoint any Eligible Service Provider as a successor Service Provider for such services, and shall have no liability to the Funding Agents, the Lenders, the Borrower, the Aircraft Owning Entities, the Owner Participants or AerCap in doing so, to be the successor in all respects to the terminated Service Provider in its capacity as service provider under this Agreement and the applicable Service Provider Agreement and the transactions set forth or provided for in this Agreement and the applicable Service Provider Agreement, and such successor Service Provider shall be subject to all the responsibilities, restrictions, duties, liabilities and termination provisions relating thereto placed on the prior applicable Service Provider by the terms and provisions of this Agreement and the applicable Service Provider Agreement; provided, however, that such successor Service

Provider shall not be liable for any acts, omissions or obligations of the applicable Service Provider prior to such succession or for any breach by such prior Service Provider of any of its representations and warranties contained in this Agreement or the applicable Service Provider Agreement or in any related document or agreement. Such successor shall take such action, consistent with this Agreement, and the applicable Service Provider Agreement, as shall be necessary to effectuate any such succession. The Borrower, the Aircraft Owning Entities and the Owner Participants shall enter into a market standard servicing agreement (or administrative agency agreement or cash management agreement, as applicable) with any successor Service Provider with market acceptance for the servicing of a portfolio of aircraft and aircraft leases in form and substance satisfactory to the Administrative Agent. If a successor Service Provider is acting as Service Provider hereunder, it shall be subject to termination under Section 12.2 or Section 13.2(c) hereof.

(b) If any successor Service Provider appointed by the Administrative Agent shall be legally unable to act as a Service Provider and the Administrative Agent shall not have appointed a successor Service Provider that is legally able and willing to act as Service Provider, such successor Service Provider may petition a court of competent jurisdiction to appoint any Eligible Servicer as its successor. Pending such appointment, the outgoing Service Provider shall continue to act as Service Provider under the applicable Service Provider Agreement until a successor has been appointed and accepted such appointment.

(c) Any successor Service Provider shall be entitled to such compensation as the outgoing Service Provider would have been entitled to under the applicable Service Provider Agreement if the applicable Service Provider had not resigned or been terminated hereunder. If any successor Service Provider is appointed for any reason, the Administrative Agent and such successor Service Provider may agree on additional compensation to be paid to such successor Service Provider. In addition, any successor Service Provider shall be entitled to reasonable transition expenses incurred in acting as successor Servicer Provider under the relevant Service Provider Agreement.

(d) In the event of the termination of the rights and obligations of the a Service Provider (or any successor thereto) pursuant to Section 12.2 or Section 13.2(c), or a resignation by a Service Provider pursuant to this Agreement or the relevant Service Provider Agreement, such Service Provider shall be deemed to be the applicable Service Provider pending appointment of a successor Service Provider pursuant to this Section 12.3.

ARTICLE XIII

EVENTS OF DEFAULT

SECTION 13.1 Events of Default. Each of the following shall constitute an event of default (an "Event of Default") under this Agreement:

(a) (i) Default by the Borrower in the payment of any principal of any Advance on the Stated Maturity Date, (ii) default by the Borrower in the payment within three (3) Business Days after the due date of any Yield on any Class A Advance (or Class B Advance if no Class A Advances remain outstanding) or any commitment Fees payable to a Lender or Funding Agent

(including in each case, without limitation, due to the unavailability of funds to be distributed for such purpose on any Payment Date pursuant to the Flow of Funds); (iii) default by the Borrower in the payment within ten (10) Business Days after the due date of any Collateral Agent Fees and Expenses (including, without limitation, due to the unavailability of funds to be distributed for such purpose on any Payment Date pursuant to the Flow of Funds), or (iv) any failure by the Borrower to, or cause the Servicer to, make any deposit of funds to the Security Deposit Account, the Maintenance Reserve Account, the Liquidity Reserve Account or the Collection Account within three Business Days after receipt of notice thereof, provided, that such three Business Days after notice grace period shall not apply to any such failure relating to the Liquidity Reserve Account;

(b) The Borrower, AerCap (other than in its capacity as the Servicer under this Agreement or the Servicing Agreement), or any Borrower Subsidiary shall fail to perform or observe any other term, covenant or agreement contained in this Agreement (other than those described in clause (a) above), or any other Credit Document on its part to be performed or observed and any such failure shall remain unremedied for thirty (30) days after the earlier of (i) the receipt by the Borrower of notice of such failure from the Administrative Agent, and (ii) the Borrower's acquiring actual knowledge of such breach;

(c) Any representation or warranty of the Borrower, AerCap (other than in its capacity as the Servicer under this Agreement or the Servicing Agreement), or any Borrower Subsidiary (other than any representation or warranty of AerCap under the AerCap-Borrower Purchase Agreement the breach of which can be, and has been, cured by an indemnification payment under the AerCap —Borrower Purchase Agreement or under the Purchase Agreement Guaranty) made or deemed to have been made hereunder or in any other Credit Document or any written information or certificate furnished by or on behalf of the Borrower, AerCap, or any Borrower Subsidiary (other than any written information or certificate of AerCap furnished pursuant to the AerCap—Borrower Purchase Agreement the incorrectness of which can be, and has been, cured by an indemnification payment under the AerCap—Borrower Purchase Agreement or under the Purchase Agreement Guaranty) to the Collateral Agent, the Administrative Agent, any Lender or any Funding Agent for purposes of or in connection with this Agreement or any other Credit Document (including, without limitation, any certificates delivered pursuant to Article VII and any Quarterly Report or Monthly Report) shall prove to have been incorrect or untrue in any material respect when made, and, within thirty (30) days, the circumstances or condition in respect of which such representation, warranty or statement was untrue or incorrect (if capable of elimination or otherwise curable) shall not have been eliminated or otherwise cured;

(d) An Event of Bankruptcy shall have occurred and remained continuing with respect to the Borrower or the Supporting Party;

(e) One or more judgments, orders or decrees for the payment of money in an aggregate amount in excess of $5,000,000 shall be rendered against the Borrower or any Borrower Subsidiary and the same shall remain undischarged, unvacated or not Effectively Bonded for a period of thirty (30) consecutive days during which execution shall not be

effectively stayed, or any action shall be legally taken by a judgment creditor to levy upon properties of the Borrower or any Borrower Subsidiary to enforce any such judgment;

(f) The Pension Benefit Guaranty Corporation shall file notice of a lien pursuant to Section 4068 of ERISA with regard to any of the assets of the Borrower and such lien shall not have been released within thirty (30) days;

(g) (i) Any Credit Document shall (except in accordance with its terms, including under any termination rights), in whole or in part, terminate, cease to be effective or cease to be the legally valid, binding and enforceable obligation of the Borrower or any Borrower Subsidiary or the Supporting Party, as applicable; (ii) the Borrower, any Borrower Subsidiary, the Supporting Party shall, directly or indirectly, contest in writing the effectiveness, validity, binding nature or enforceability of any Credit Document; or (iii) any assignment or security interest granted by the Borrower or any Borrower Subsidiary under or in connection with any Credit Document or any of the transactions contemplated thereby shall, in whole or in part, cease to be a perfected, first priority assignment or security interest, as the case may be, against the Borrower or such Borrower Subsidiary or the Collateral Agent shall otherwise fail to have a first priority, perfected security interest in any Borrower Collateral;

(h) Any Hedge Agreement is terminated by the counterparty thereunder on account of a default thereunder by the Borrower;

(i) Failure of the Borrower (or any Borrower Subsidiary, so long as it is an owner of Funded Aircraft) to maintain its legal existence;

(j) The Borrower is required to register as an investment company under the Investment Company Act of 1940; or

(k) The Supporting Party shall have defaulted on its obligations under the Purchase Agreement Guaranty.

SECTION 13.2 Effect of Event of Default.

(a) Optional Termination. Upon the occurrence of an Event of Default and so long as such Event of Default continues unremedied (other than an Event of Default described in Section 13.1(d), the Administrative Agent shall, upon the direction of the Class A Majority Lenders, give a default notice and declare the Facility Termination Date to have occurred. The Class B Majority Lenders shall

have the right to direct the Administrative Agent to so accelerate the Advances when the Class A Advances, and all Obligations related thereto, are paid in full.

(b) Automatic Termination. Upon the occurrence of an Event of Default described in Section 13.1(d), the Facility Termination Date shall be deemed to have occurred automatically.

(c) Service Provider Termination. Upon the occurrence of an Event of Default and so long as such Event of Default continues unremedied, if any member of the AerCap Group or any Affiliate of the Borrower is then serving as a Service Provider, the Administrative Agent may, by written notice to such Service Provider, terminate all of the Service Provider's rights

and obligations as Service Provider under the applicable Service Provider Agreement, and the Administrative Agent may appoint a successor Service Provider in accordance with Section 12.3 (such termination to be effective as specified in this Agreement).

SECTION 13.3 Rights Upon the Facility Termination Date.

(a) Remedies. On the Facility Termination Date, all outstanding Advances under this Agreement, together with accrued Yield, and all other Obligations under this Agreement shall become immediately due and payable, without presentment, demand, protest, or notice of any kind. If the Borrower fails to pay in full all such accrued Yield, and all other Obligations on the Facility Termination Date, the Administrative Agent, shall, upon the direction of the Class A Majority Lenders (and subject to Section 13.3(c)), exercise any of the following remedies (or direct the Collateral Agent in writing so to exercise):

(i) [Reserved].

(ii) Subject to any Obligors' rights under the Leases, immediately sell or otherwise dispose of the Borrower Collateral in a commercially reasonable manner, in a recognized market (if one exists) at such price or prices as the Administrative Agent, in consultation with the Class A Funding Agents, may reasonably deem satisfactory and apply the proceeds thereof to the Obligations in the order of priority set forth in the Flow of Funds hereof.

(iii) The parties recognize that it may not be possible to purchase or sell all of the Borrower Collateral on a particular Business Day, or in a transaction with the same purchaser, or in the same manner because the market therefor may not be liquid. Accordingly, the Administrative Agent, in consultation with the Class A Funding Agents, may elect, in its sole discretion or at the discretion of any Funding Agent, the time and manner of liquidating any item of Borrower Collateral and nothing contained herein shall (A) obligate the Collateral Agent to liquidate any Borrower Collateral on the occurrence of the Facility Termination Date or to liquidate all of the Borrower Collateral in the same manner or on the same Business Day or (B) constitute a waiver of any right or remedy of the Lenders.

(iv) The Administrative Agent, the Funding Agents and the Lenders shall have, in addition to all the rights and remedies provided herein and provided by applicable federal, state, foreign, and local laws (including, without limitation, the rights and remedies of a secured party under the Uniform Commercial Code of any applicable state, to the extent that the Uniform Commercial Code is applicable, and the right to offset any mutual debt and claim), all rights and remedies available to the Lenders in law, in equity, or under any other agreement between the Lenders and the Borrower.

(b) Excess Proceeds. Any amounts received from any sale or liquidation of the Borrower Collateral pursuant to this Section 13.3 in excess of the Obligations will be returned to the Borrower, its successors or assigns, or to whosoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may otherwise direct.

(c) AerCap Sub Note Buyout. Prior to any sale or liquidation or other exercise of remedies against or in respect of the Borrower Collateral pursuant to this Section 13.3, the holder(s) of any AerCap Sub Note(s) may elect to purchase all, but not less than all, of the entire outstanding principal balance of the Advances, at a purchase price equal to the unpaid principal balance of such Advances, plus accrued interest thereon, together with any fees, indemnity amounts or other amounts owed the Lenders hereunder (and not including any amount in respect of expected but lost future benefit or profit). Such right shall be exercised by such holder(s) giving the Administrative Agent written notice of the intent to purchase such Advances within twenty (20) Business Days of the date that the Facility Termination Date has occurred or been declared, and the date on which such purchase is to be consummated, which shall be not more than ten (10) Business Days after delivery of such written notice. None of the Collateral Agent, the Administrative Agent nor any Lender may sell, liquidate or otherwise exercise remedies against or in respect of the Borrower Collateral prior to the end of such twenty and (if applicable) ten Business Day period.

The Administrative Agent shall promptly deliver a copy of each such purchase option notice that is timely given, to the Lenders and each Funding Agent. On the date specified in the purchase option notice, the Lenders shall transfer, by an instrument of assignment suitable for such purpose, all of their right, title and interest in and to such Advances and any related Note, upon the tender to them of the purchase price specified above. If the applicable holder(s) of the AerCap Sub Note(s) fail to consummate the purchase of such Advances after giving a notice of intent, or fails to timely give a notice of intent, such holder(s) shall be deemed to have irrevocably waived the right to purchase such Advances.

(d) Buyout Rights of Subordinate Lenders. At any time after the occurrence of and during the continuation of an Event of Default, but in no event prior to the end of the twenty and (if applicable) ten Business Day period described in subsection (c) of this Section above, each Class B Lender shall have the right to purchase all, but not less than all, of the outstanding Class A Advances upon ten days' written notice to the Administrative Agent, the Collateral Agent and each other Class B Lender, *provided* that (A) if prior to the end of such ten-day period any other Class B Lender notifies such purchasing Class B Lender that such other Class B Lender wants to participate in such purchase, then such other Class B Lender may join with the purchasing Class B Lender to purchase all, but not less than all, of the Class A Advances pro rata based on the respective Class B Lenders' proportionate share of all Class B Advances outstanding, and (B) if prior to the end of such ten-day period any other Class B Lender fails to notify the purchasing Class B Lender of such other Class B Lender's desire to participate in such a purchase, then such other Class B Lender shall lose its right to purchase the Class A Advances pursuant to this Section 13.03(d).

The purchase price with respect to the Class A Advances shall be equal to their outstanding unpaid principal balance, together with accrued and unpaid interest thereon to the date of such purchase, without premium, but including any other amounts then due and payable to the Class A Lenders under this Agreement; *provided* that no such purchase of Class A Advances shall be effective unless the purchaser(s) shall certify to the Administrative Agent that contemporaneously with such purchase, such purchaser(s) is purchasing, pursuant to the terms of

this Agreement, the outstanding Advances which are senior to the Advances held by such purchaser(s). Each payment of the purchase price of the Class A Advances referred to in the first sentence hereof shall be made to an account or accounts designated by the Administrative Agent and each such purchase shall be subject to the terms of this Section 13.3(d). Each Class A Lender agrees by its acceptance of its Class A Advances that it will, upon payment from such Class B Lender(s) of the purchase price set forth in the first sentence of this paragraph, forthwith sell, assign, transfer and convey to the purchaser(s) thereof (without recourse, representation or warranty of any kind except for its own acts), all of the right, title, interest and obligation of such Class A Lender under this Agreement but, excluding all right, title and interest under the foregoing to the extent such right, title or interest is with respect to an obligation not then due and payable as respects any action or Inaction or state of affairs occurring prior to such sale) and the purchaser shall assume all of such Class A Lender obligations under this Agreement. The Class A Advances will be deemed to be purchased on the date payment of the purchase price is made notwithstanding the failure of the Class A Lenders to deliver any Note and, upon such a purchase, the only right of the Class A Lenders will be to receive the purchase price for such Class A Advances. All charges and expenses in connection with the purchase of any Class A Advances shall be borne by the purchaser thereof.

ARTICLE XIV

THE ADMINISTRATIVE AGENT

SECTION 14.1 Authorization and Action. Each of the Lenders and the Funding Agents hereby appoints UBSS as agent for purposes of the Transaction Documents and authorizes UBSS, in such capacity, to take such action on its behalf under each Transaction Document and to exercise such powers, hereunder and thereunder as are delegated to the Administrative Agent by the terms hereof and thereof, together with such powers as are reasonably incidental thereto.

SECTION 14.2 Exculpation. Neither the Administrative Agent (acting in such capacity under the Transaction Documents) nor any of its directors, officers, agents or employees shall be liable to any Lender or Funding Agent for any action taken or omitted to be taken by it or them under or in connection with the Transaction Documents, except for its or their own gross negligence or willful misconduct. Without limiting the generality of the foregoing, the Administrative Agent: (a) may consult with legal counsel (including counsel for the Borrower and the Service Providers), independent certified public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts; (b) makes no warranty or representation to any Lender or Funding Agent, and shall not be responsible to any Lender or Funding Agent, for any statements, warranties or representations made by the Borrower or Service Providers, in or in connection with any Transaction Document; (c) shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of any Transaction Document on the part of AerCap, the Borrower, any Service Provider or any of their respective Affiliates or to inspect the property (including the books and records) of AerCap, the Borrower, any Service Provider or any of their respective Affiliates;

(d) shall not be responsible to any Lender or Funding Agent for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement, any Note, any other Transaction Document or any other instrument or document provided for herein or delivered or to be delivered hereunder or in connection herewith; and (e) shall incur no liability under or in respect of any Transaction Document by acting upon any notice (including notice by telephone), consent, certificate or other instrument or writing (which may be by telex or facsimile transmission) believed by it to be genuine and signed or sent by the proper party or parties.

SECTION 14.3 Administrative Agent and Affiliates. The Administrative Agent, including, but not limited to, UBSS and any of its Affiliates may generally engage in any kind of business with AerCap, the Borrower, the Service Providers, any Obligor, any of their respective Affiliates and any Person who may do business with or own securities of AerCap, the Borrower, the Service Providers, any Obligor or any of their respective Affiliates, all as if the Administrative Agent were not the Administrative Agent hereunder and without any duty to account therefor to any Lender or Funding Agent.

SECTION 14.4 Lender's Credit Decision. Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent, any of its Affiliates or any other Lender and based on such documents and information as it has deemed appropriate, made its own evaluation and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent, any of its Affiliates or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own decisions in taking or not taking action under this Agreement.

SECTION 14.5 Certain Matters Affecting the Administrative Agent.

(a) The Administrative Agent may rely and shall be protected in acting or refraining from acting upon any resolution, officer's certificate, certificate of auditors or any other certificate, statement, instrument, opinion, report, notice, request, consent, order, appraisal, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

(b) The Administrative Agent may consult with counsel, and any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken or suffered or omitted by the Administrative Agent under this Agreement in good faith and in accordance with such Opinion of Counsel.

(c) Notwithstanding anything to the contrary, the Administrative Agent shall be under no obligation to exercise any of the rights or powers vested in it by this Agreement, or to institute, conduct or defend any litigation under this Agreement or in relation to this Agreement, at the request, order or direction of any Funding Agent or Lender pursuant to the provisions of this Agreement unless such Funding Agent or Lender shall have furnished to the Administrative Agent security or indemnity satisfactory to the Administrative Agent against the costs, expenses and liabilities that may be incurred therein or thereby.

(d) The Administrative Agent shall not be bound to make any investigation into the facts of matters stated in any resolution, certificate, statement, instrument opinion, report, notice, request, consent, order, approval, bond or other paper or documents, unless requested in writing to do so by the Class Majority Lenders; provided, however, that if the payment within a reasonable time to the Administrative Agent of the costs, expenses or liabilities likely to be incurred by it in the making of such investigation is, in the opinion of the Administrative Agent, not reasonably assured to the Administrative Agent by the security afforded to it by the terms of this Agreement, the Administrative Agent may require indemnity satisfactory to it against such cost, expense or liability as a condition to so proceeding; the reasonable expense of every such examination shall be paid by the Person making such request or, if paid by the Administrative Agent, shall be reimbursed by the Person making such request upon demand.

(e) The Administrative Agent may execute any of the trusts or powers under this Agreement or any other Transaction Document or perform any duties under this Agreement or any other Transaction Document either directly or by or through agents or attorneys or custodians. The Administrative Agent shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by the Administrative Agent. The Administrative Agent shall not be responsible for any misconduct or negligence attributable to the acts or omissions of any Service Provider.

(f) The Administrative Agent may rely, as to factual matters relating to any Service Provider, on an officer's certificate of the applicable Service Provider.

(g) The Administrative Agent shall not be required to take any action or refrain from taking any action under this Agreement, or any Transaction Document referred to herein, nor shall any provision of this Agreement or any such Transaction Document be deemed to impose a duty on the Administrative Agent to take action, if the Administrative Agent shall have been advised by counsel that such action is contrary to the terms of this Agreement or any Transaction Document or is contrary to law.

(h) The Borrower and the Service Providers hereby (i) acknowledge that the Funding Agents and Lenders have the right, in certain instances, to require the Administrative Agent to take or refrain from taking certain actions under the terms of this Agreement and the other Transaction Documents and (ii) agree that the Administrative Agent has no liability to the Borrower, or the Service Providers, with respect to taking or refraining from taking any such actions at the request of any Funding Agent or Lender.

(i) When this Agreement or any other Credit Document provides that a right, consent, approval or duty is expressly stated to be exercisable or performable by the Administrative Agent, the parties hereto understand and agree that the Administrative Agent is entitled to exercise its rights under such provision without the consent of the Lenders.

SECTION 14.6 Administrative Agent Not Liable. The Administrative Agent makes no representations as to the validity or sufficiency of this Agreement, any Note or any other Transaction Document. The Administrative Agent shall at no time have any responsibility or liability for or with respect to the legality, validity or enforceability of any security interest in any Borrower Collateral, or the perfection and priority of such a security interest or the

maintenance of any such perfection and priority or its ability to generate the payments to be distributed to Lenders under this Agreement, including, without limitation, the existence, condition, location and ownership of any property; the performance or enforcement of any Lease; the compliance by the Borrower, AerCap, any Service Provider, or the Collateral Agent with any covenant or the breach by the

Borrower, AerCap, any Service Provider or the Collateral Agent, of any warranty or representation made under this Agreement or any other Transaction Document or in any related document and the accuracy of any such warranty or representation prior to the Administrative Agent's receipt of notice or other discovery of any noncompliance therewith or any breach thereof, any investment of monies by or at the direction of the Borrower or the applicable Service Provider, or any loss resulting therefrom (it being understood, however, that the Administrative Agent shall remain otherwise responsible for any Borrower Collateral that it may hold directly); the acts or omissions of the Borrower, any Service Provider, the Collateral Agent, AerCap or any Obligor, any action of a Service Provider taken in the name of AerCap, the Borrower or the Administrative Agent, Funding Agents and/or Lenders which are authorized to provide such instruction in accordance with this Agreement or any of the other Transaction Documents; provided, however, that the foregoing shall not relieve the Administrative Agent of its obligations to perform its duties under this Agreement. The Administrative Agent shall not be accountable for the use or application by the Borrower of any proceeds of the Advances, or for the use or application of any funds paid to a Service Provider in respect of the Leases or any other Aircraft Assets related to the Aircraft.

SECTION 14.7 Agent May Own Notes. The Administrative Agent in its individual or any other capacity may become the owner or pledgee of Notes or any rights evidenced by Section 15.5(a) with the same rights as it would have if it were not the Administrative Agent and may deal with the Service Providers in banking transactions with the same rights as it would have if it were not the Administrative Agent.

SECTION 14.8 Resignation or Removal of Agent.

(a) Subject to the provisions of subsection (c) of this Section 14.8, any Person acting as Administrative Agent may at any time resign as Administrative Agent under this Agreement and the other Transaction Documents by giving thirty (30) days' written notice thereof to the Service Providers, the Borrower and each of the Funding Agents. Upon receiving such notice of resignation, the Class Majority Lenders (with approval of the Borrower and the Service Providers, not to be unreasonably withheld or delayed) shall promptly appoint a successor Administrative Agent by written instrument, in duplicate, one copy of which instrument shall be delivered to the resigning Administrative Agent and the other copy of which instrument shall be delivered to the successor Administrative Agent. If no successor Administrative Agent shall have been so appointed and have accepted appointment within thirty (30) days after the giving of such notice of resignation, the resigning Administrative Agent may petition any court of competent jurisdiction for the appointment of a successor Administrative Agent. The Borrower shall reimburse the resigning Administrative Agent pursuant to the Flow of Funds for all expenses that shall have been incurred by such resigning Administrative Agent in accordance with this Agreement and the other Transaction Documents prior to the effective date of resignation of such resigning Administrative Agent.

(b) If at any time the Administrative Agent shall be legally unable to act, or shall be adjudged a bankrupt or insolvent or a receiver of the Administrative Agent or of its property shall be appointed or any public officer shall take charge or control of the Administrative Agent or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, then the Funding Agents shall remove the Administrative Agent. If the Administrative Agent shall have been removed under the authority of the immediately preceding sentence, the Class Majority Lenders (with approval of the Borrower and the Service Providers, not to be unreasonably withheld or delayed) shall promptly appoint a successor Administrative Agent by written instrument, in duplicate, one copy of which instrument shall be delivered to the Administrative Agent so removed and the other copy of which instrument shall be delivered to the successor Administrative Agent. The Borrower shall reimburse the removed Administrative Agent pursuant to the Flow of Funds for all expenses which shall have been incurred by such removed Administrative Agent in accordance with this Agreement and the other Transaction Documents prior to the effective date of removal of such removed Administrative Agent.

(c) Any resignation or removal of the Administrative Agent and appointment of a successor Agent pursuant to any of the provisions of this Section 14.8 shall not become effective until acceptance of appointment by the successor agent as provided in Section 14.9.

SECTION 14.9 Successor Administrative Agent. Any successor Administrative Agent appointed as provided in this Article XIV shall execute, acknowledge and deliver to the Borrower, the Service Providers, each Funding Agent and to its predecessor Administrative Agent an instrument accepting such appointment under this Agreement, and thereupon the resignation or removal of the predecessor Administrative Agent shall become effective and such successor Administrative Agent, without any further act, deed or conveyance (except as provided below), shall become fully vested with all the rights, power, duties and obligations of its predecessor under this Agreement, with like effect as if originally named as Administrative Agent; but, on request of the Borrower or any Service Provider, or the successor Administrative Agent, such predecessor Administrative Agent shall, upon payment of its expenses then unpaid, execute and deliver an instrument transferring to such successor Administrative Agent all of the rights, powers and trusts of the Administrative Agent so ceasing to act, and shall duly assign, transfer and deliver to such successor Administrative Agent all property and money held by such Administrative Agent so ceasing to act hereunder. Upon request of any such successor Administrative Agent, the Borrower shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Administrative Agent all such rights, powers and trusts. The predecessor Administrative Agent shall deliver to the successor Administrative Agent all documents and statements held by it under this Agreement or any Transaction Document; and the predecessor Administrative Agent and the other parties to the Transaction Documents shall amend any Transaction Document to make the successor Administrative Agent the successor to the predecessor Administrative Agent thereunder; and the applicable Service Provider and the predecessor Administrative Agent shall execute and deliver such instruments and do such other things as may reasonably be required for fully and certainly vesting and confirming in the successor Administrative Agent all such rights, powers, duties and obligations. No successor Administrative Agent shall accept its appointment as provided in this Section 14.9 unless at the time of such acceptance such successor Administrative Agent shall be eligible under the provisions of Section 14.10. Upon acceptance of appointment by a successor

Administrative Agent as provided in this Section 14.9, the Borrower shall mail notice by first-class mail of the appointment of the successor of such Administrative Agent and the address of the successor Administrative Agent's corporate trust office under this Agreement to all Lenders at their addresses as shown in the Note Register or if no Note Register is required to be maintained with respect to any Lender pursuant to Section 15.5(b), such other address or such other address as shall be maintained for such Lender by the applicable Funding Agent. If the Borrower fails to mail such notice within ten (10) days after acceptance of appointment by the successor Administrative Agent, the successor Administrative Agent shall cause such notice to be mailed at the expense of the Borrower.

SECTION 14.10 Eligibility Requirements for Successor Agent. Any successor Administrative Agent under this Agreement shall be a corporation duly organized and validly existing under the laws of its jurisdiction of incorporation authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least $500,000,000 and subject to supervision or examination by federal or state authority. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purpose of this Section 14.10, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time any successor Administrative Agent shall cease to be eligible in accordance with the provisions of this Section 14.10, such successor Administrative Agent shall resign immediately in the manner and with the effect specified in Section 14.8.

SECTION 14.11 Merger or Consolidation of Agent. Any corporation into which the Administrative Agent may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which the Administrative Agent shall be a party, or any corporation succeeding to the corporate trust business of the Administrative Agent, shall be the successor of the Administrative Agent under this Agreement, provided such corporation shall be eligible under the provisions of Section 14.10, without the execution or filing of any instrument or any further act on the part of any of the parties to this Agreement, anything in this Agreement to the contrary notwithstanding.

SECTION 14.12 Administrative Agent May Enforce Claims Without Possession of Notes. Whether or not any applicable Funding Agent has requested a Note pursuant to Section 2.5, all rights of action and claims under this Agreement and/or the Notes may be prosecuted and enforced by the Administrative Agent, any Funding Agent or any Lender without the possession of any Note or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Administrative Agent shall be brought in its own name as agent.

SECTION 14.13 Suit for Enforcement. If a Servicer Termination Event shall occur and be continuing, the Administrative Agent, in its discretion may (but shall have no duty or obligation so to proceed) proceed to protect and enforce its rights and the rights of the Lenders under this Agreement by a suit, action or proceeding in equity or at law or otherwise, whether for the specific performance of any covenant or agreement contained in this Agreement or in aid of the execution of any power granted in this Agreement or for the enforcement of any other legal, equitable or other remedy as the Administrative Agent, being advised by counsel, shall deem

most effectual to protect and enforce any of the rights of the Administrative Agent or the Lenders.

SECTION 14.14 Indemnification of Agent. Each Funding Group agrees to indemnify the Administrative Agent (to the extent not reimbursed by the Borrower), ratably according to the amount of the Funding Group Limit of such Funding Group as a percentage of the aggregate Funding Group Limits of all Funding Groups, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against the Administrative Agent in any way relating to or arising out of this Agreement or any other Transaction Document or any action taken or omitted by the Administrative Agent under this Agreement or any other Transaction Document; provided, however, that no Funding Group shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the Administrative Agent's gross negligence or willful misconduct.

ARTICLE XIVA

FUNDING AGENTS

SECTION 14A.1 Authorization and Action. Each of the Funding Groups hereby appoints its respective Funding Agent as agent for purposes of the Transaction Documents and authorizes such Funding Agent, in such capacity, to take such action on its behalf under each Transaction Document and to exercise such powers, hereunder and thereunder as are delegated to such Funding Agent by the terms hereof and thereof, together with such powers as are reasonably incidental thereto.

SECTION 14A.2 Exculpation. Neither the respective Funding Agent of each Funding Group (acting in such capacity under the Transaction Documents) nor any of its directors, officers, agents or employees shall be liable to any Lender in its Funding Group for any action taken or omitted to be taken by it or them under or in connection with the Transaction Documents, except for its or their own gross negligence or willful misconduct. Without limiting the generality of the foregoing, such Funding Agent: (a) may consult with legal counsel, independent certified public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts; (b) makes no warranty or representation to any Lender in its Funding Group, and shall not be responsible to any such Lender, for any statements, warranties or representations made by the Borrower, any Service Provider or the Administrative Agent, in or in connection with any Transaction Document; (c) shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of any Transaction Document on the part of AerCap, the Borrower, any Service Provider, the Administrative Agent or any of their respective Affiliates or to inspect the property (including the books and records) of AerCap, the Borrower, a Service Provider, the Administrative

Agent or any of their respective Affiliates; (d) shall not be responsible to any Lender in its Funding Group for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement, any Note, any other Transaction Document or any other

instrument or document provided for herein or delivered or to be delivered hereunder or in connection herewith; and (e) shall incur no liability under or in respect of any Transaction Document by acting upon any notice (including notice by telephone), consent, certificate or other instrument or writing (which may be by telex or facsimile transmission) believed by it to be genuine and signed or sent by the proper party or parties.

SECTION 14A.3 Funding Agent and Affiliates. The respective Funding Agent of each Funding Group may generally engage in any kind of business with AerCap, the Borrower, the Service Providers, any Obligor, any of their respective Affiliates and any Person who may do business with or own securities of AerCap, the Borrower, the Service Providers, any Obligor or any of their respective Affiliates, all as if such Funding Agent were not a Funding Agent hereunder and without any duty to account therefor to any Lender in its respective Funding Group.

SECTION 14A.4 Lender's Credit Decision. Each Lender in a Funding Group acknowledges that it has, independently and without reliance upon its respective Funding Agent, any of its Affiliates or any other Lender and based on such documents and information as it has deemed appropriate, made its own evaluation and decision to enter into this Agreement. Each such Lender also acknowledges that it will, independently and without reliance upon such Funding Agent, any of its Affiliates or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own decisions in taking or not taking action under this Agreement.

SECTION 14A.5 Certain Matters Affecting the Funding Agent.

(a) The respective Funding Agent of each Funding Group may rely and shall be protected in acting or refraining from acting upon any resolution, officer's certificate, certificate of auditors or any other certificate, statement, instrument, opinion, report, notice, request, consent, order, appraisal, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

(b) Such Funding Agent may consult with counsel, and any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken or suffered or omitted by such Funding Agent under this Agreement in good faith and in accordance with such Opinion of Counsel.

(c) Such Funding Agent shall be under no obligation to exercise any of the rights or powers vested in it by this Agreement, or to institute, conduct or defend any litigation under this Agreement or in relation to this Agreement, at the request, order or direction of any Lender in its respective Funding Group pursuant to the provisions of this Agreement unless such Lender shall have furnished to such Funding Agent security or indemnity satisfactory to such Funding Agent against the costs, expenses and liabilities that may be incurred therein or thereby.

(d) Such Funding Agent shall not be bound to make any investigation into the facts of matters stated in any resolution, certificate, statement, instrument opinion, report, notice, request, consent, order, approval, bond or other paper or documents, unless requested in writing to do so by its respective Funding Group Majority Lenders; provided, however, that if the payment

within a reasonable time to such Funding Agent of the costs, expenses or liabilities likely to be incurred by it in the making of such investigation is, in the opinion of such Funding Agent, not reasonably assured to such Funding Agent by the security afforded to it by the terms of this Agreement, such Funding Agent may require indemnity satisfactory to it against such cost, expense or liability as a condition to so proceeding; the reasonable expense of every such examination shall be paid by the Person making such request or, if paid by such Funding Agent, shall be reimbursed by the Person making such request upon demand.

(e) Such Funding Agent may execute any of the trusts or powers under this Agreement or any other Transaction Document or perform any duties under this Agreement or any other Transaction Document either directly or by or through agents or attorneys or custodians. Such Funding Agent shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by such Funding Agent. Such Funding Agent shall not be responsible for any misconduct or negligence attributable to the acts or omissions of any Service Provider or the Administrative Agent.

(f) Such Funding Agent may rely, as to factual matters relating to any Service Provider, on an officer's certificate of such Service Provider.

(g) Such Funding Agent shall not be required to take any action or refrain from taking any action under this Agreement, or any Transaction Document referred to herein, nor shall any provision of this Agreement or any such Transaction Document be deemed to impose a duty on such Funding Agent to take action, if such Funding Agent shall have been advised by counsel that such action is contrary to the terms of this Agreement or any Transaction Document or is contrary to law.

(h) The Borrower and the Service Providers hereby (i) acknowledge that the Administrative Agent and Lenders have the right, in certain instances, to require such Funding Agent to take or refrain from taking certain actions under the terms of this Agreement

and the other Transaction Documents and (ii) agree that such Funding Agent has no liability to the Borrower or the Service Providers with respect to taking or refraining from taking any such actions at the request of the Administrative Agent or Lender.

SECTION 14A.6 Funding Agent Not Liable. The respective Funding Agent of each Funding Group makes no representations as to the validity or sufficiency of this Agreement, the Notes or any other Transaction Document. Such Funding Agent shall at no time have any responsibility or liability for or with respect to the legality, validity or enforceability of any security interest in any Borrower Collateral, or the perfection and priority of such a security interest or the maintenance of any such perfection and priority or its ability to generate the payments to be distributed to Lenders under this Agreement, including, without limitation, the existence, condition, location and ownership of any property; the performance or enforcement of any Lease; the compliance by the Borrower, AerCap, the Service Providers, or the Collateral Agent with any covenant or the breach by the Borrower, AerCap, the Service Providers or the Collateral Agent, of any warranty or representation made under this Agreement or any other Transaction Document or in any related document and the accuracy of any such warranty or representation prior to such Funding Agent's receipt of notice or other discovery of any noncompliance therewith or any breach thereof, any investment of monies by or at the direction

of the Borrower or the Service Providers or any loss resulting therefrom; the acts or omissions of the Borrower, the Service Providers, the Collateral Agent, AerCap or any Obligor; any action of a Service Provider taken in the name of such Funding Agent; or any action by such Funding Agent taken at the instruction of AerCap, the Borrower or the Administrative Agent and/or Lenders which are authorized to provide such instruction in accordance with this Agreement or any of the other Transaction Documents; provided, however, that the foregoing shall not relieve such Funding Agent of its obligations to perform its duties under this Agreement. Such Funding Agent shall not be accountable for the use or application by the Borrower of any proceeds of the Advances, or for the use or application of any funds paid to a Service Provider in respect of the Leases or any other Aircraft Assets related to the Aircraft.

SECTION 14A.7 Agent May Own Notes. The respective Funding Agent of each Funding Group in its individual or any other capacity may become the owner or pledgee of Notes or any rights evidenced by Section 15.5(a) with the same rights as it would have if it were not such Funding Agent and may deal with the Service Providers in banking transactions with the same rights as it would have if it were not such Funding Agent.

SECTION 14A.8 Resignation or Removal of Agent.

(a) Subject to the provisions of subsection (c) of this Section 14A.8, any Person acting as a Funding Agent of a Funding Group may at any time resign as such Funding Agent under this Agreement and the other Transaction Documents by giving thirty (30) days' written notice thereof to the Borrower, the Service Providers and the Administrative Agent. Upon receiving such notice of resignation, the Funding Group Majority Lenders of such Funding Group (with approval of the Borrower, the Service Providers and Administrative Agent, in each case not to be unreasonably withheld or delayed) shall promptly appoint a successor Funding Agent by written instrument, in duplicate, one copy of which instrument shall be delivered to the resigning Funding Agent and the other copy of which instrument shall be delivered to the successor Funding Agent. If no successor Funding Agent shall have been so appointed and have accepted appointment within thirty (30) days after the giving of such notice of resignation, the resigning Funding Agent may petition any court of competent jurisdiction for the appointment of a successor Funding Agent. The Borrower shall reimburse the resigning Funding Agent, pursuant to the Flow of Funds hereof, for all expenses which shall have been incurred by such resigning Funding Agent in accordance with this Agreement and the other Transaction Documents prior to the effective date of resignation of such resigning Funding Agent.

(b) If at any time such Funding Agent shall be legally unable to act, or shall be adjudged a bankrupt or insolvent or a receiver of such Funding Agent or of its property shall be appointed or any public officer shall take charge or control of such Funding Agent or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, then the related Funding Group Majority Lenders shall remove such Funding Agent. If such Funding Agent shall have been removed under the authority of the immediately preceding sentence, such Funding Group Majority Lenders (with approval of the Borrower, the Service Providers and Administrative Agent, such approval not to be unreasonably withheld or delayed) shall promptly appoint a successor Funding Agent by written instrument, in duplicate, one copy of which instrument shall be delivered to the Funding Agent so removed and the other copy of which

instrument shall be delivered to the successor Funding Agent. The Borrower shall reimburse the removed Funding Agent pursuant to the Flow of Funds for all expenses which shall have been incurred by such removed Funding Agent in accordance with this Agreement and the Other Transaction Documents prior to the effective date of removal of such removed Funding Agent.

(c) Any resignation or removal of such Funding Agent and appointment of a successor Agent pursuant to any of the provisions of this Section 14A.8 shall not become effective until acceptance of appointment by the successor agent as provided in Section 14A.9.

SECTION 14A.9 Successor Funding Agent. Any successor Funding Agent appointed as provided in this Article XIVA shall execute, acknowledge and deliver to the Borrower, the Service Providers, the Administrative Agent and to its predecessor Funding Agent an instrument accepting such appointment under this Agreement, and thereupon the resignation or removal of the predecessor Funding Agent shall become effective and such successor Funding Agent, without any further act, deed or conveyance (except as provided below), shall become fully vested with all the rights, power, duties and obligations of its predecessor under this Agreement, with like effect as if originally named as Funding Agent; but, on request of the Borrower, a Service Provider, the Administrative Agent, or the successor

Funding Agent, such predecessor Funding Agent shall, upon payment of its expenses then unpaid, execute and deliver an instrument transferring to such successor Funding Agent all of the rights, powers and trusts of the Funding Agent so ceasing to act, and shall duly assign, transfer and deliver to such successor Funding Agent all property and money held by such Funding Agent so ceasing to act hereunder for the benefit of the Lenders in its Funding Group. Upon request of any such successor Funding Agent, the Borrower shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Funding Agent all such rights, powers and trusts. The predecessor Funding Agent shall deliver to the successor Funding Agent all documents and statements held by it under this Agreement or any Transaction Document; and the predecessor Funding Agent and the other parties to the Transaction Documents shall amend any Transaction Document to make the successor Funding Agent the successor to the predecessor Funding Agent thereunder; and the Borrower, the Service Providers, the Administrative Agent and the predecessor Funding Agent shall execute and deliver such instruments and do such other things as may reasonably be required for fully and certainly vesting and confirming in the successor Funding Agent all such rights, powers, duties and obligations. No successor Funding Agent shall accept its appointment as provided in this Section 14A.9 unless at the time of such acceptance such successor Funding Agent shall be eligible under the provisions of Section 14A.10. Upon acceptance of appointment by a successor Funding Agent as provided in this Section 14A.9, the Borrower shall mail notice by first-class mail of the appointment of such successor Funding Agent and the address of the successor Funding Agent's corporate trust office under this Agreement to all Lenders at their addresses as shown in the Note Register or if no Note Register is required to be maintained with respect to any Lender pursuant to Section 15.5(b), such other address or such other address as shall be maintained for such Lender by the applicable Funding Agent. If the Borrower fails to mail such notice within ten (10) days after acceptance of appointment by the successor Funding Agent, the successor Funding Agent shall cause such notice to be mailed at the expense of the Borrower.

SECTION 14A.10 Eligibility Requirements for Successor Agent. Any successor Funding Agent under this Agreement shall be a corporation duly organized and validly existing under the laws of its jurisdiction of incorporation authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least $500,000,000 and subject to supervision or examination by federal or state authority. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purpose of this Section 14A.10, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time any successor Funding Agent shall cease to be eligible in accordance with the provisions of this Section 14A.10, such successor Funding Agent shall resign immediately in the manner and with the effect specified in Section 14A.8.

SECTION 14A.11 Merger or Consolidation of Agent. Any corporation into which any Funding Agent may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which such Funding Agent shall be a party, or any corporation succeeding to the corporate trust business of such Funding Agent, shall be the successor of such Funding Agent under this Agreement, provided such corporation shall be eligible under the provisions of Section 14A.10, without the execution or filing of any instrument or any further act on the part of any of the parties to this Agreement, anything in this Agreement to the contrary notwithstanding.

SECTION 14A.12 Funding Agent May Enforce Claims Without Possession of Notes. Whether or not any Funding Agent has requested a Note pursuant to Section 2.5, all rights of action and claims under this Agreement or the Notes may be prosecuted and enforced by such Funding Agent without the possession of any Note or the production thereof in any proceeding relating thereto, and any such proceeding instituted by such Funding Agent shall be brought in its own name as agent for the applicable Funding Group.

SECTION 14A.13 Indemnification of Agent. Each Lender in a particular Funding Group agrees to indemnify its Funding Agent (to the extent not reimbursed by the Borrower), ratably according to the amount of the outstanding Advances of such Lender as a percentage of the aggregate outstanding Advances of all Lenders in such Funding Group, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against such Funding Agent in any way relating to or arising out of this Agreement or any other Transaction Document or any action taken or omitted by such Funding Agent under this Agreement or any other Transaction Document; provided, however, that no such Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from such Funding Agent's gross negligence or willful misconduct.

SECTION 14A.14 Other Arrangements. No provision contained in this Article XIVA shall, in any way, limit or diminish any duty, obligation or responsibility which any Funding Agent may have to any Lender in its Funding Group pursuant to any other provision of this

Agreement or any separate agreement or arrangement between such Funding Agent and such Lender.

ARTICLE XV

ASSIGNMENTS

SECTION 15.1 Assignments. The Borrower may not assign its rights or obligations hereunder or any interest herein without the prior written consent of the Administrative Agent and each Funding Agent. The Lenders shall have the right to assign and/or participate their respective Non-Conduit Lender Commitments and Advances with prior notice to the Borrower, but without the consent of the

Borrower; provided, however, that, at any time prior to the occurrence of an Event of Default, (a) any assignee or participant shall not be an entity which, at the time of assignment or participation, competes with AerCap in a material manner in the leasing of commercial aircraft unless the Borrower has otherwise consented to such assignee or participant (an assignee or participant meeting such criteria, an "Eligible Assignee"), (b) the indemnities to which any such assignee or participant shall be entitled under Section 6.2 or 6.3 hereof shall not be greater at and as of the time of assignment or participation than the indemnity to which the assignor or participant grantor would have been entitled under Section 6.2 or 6.3 hereof had such assignment or participation not occurred, (c) any assignee shall be a Qualifying Lender, and (d) any assignor shall only be released from its Non-Conduit Lender Commitments to the extent provided in the immediately succeeding sentence. Upon the issuance of a Non-Conduit Lender Commitment to provide a portion of the Class A Advances or Class B Advances by any assignee of such Non-Conduit Lender Commitment of a Class A Lender or Class B Lender, which assignee either (A) has a long term debt rating of at least "A" from Standard & Poor's and/or "A2" from Moody's, or a short term debt rating of at least "A-1" from Standard & Poor's and/or "P-1" from Moody's, or (B) has otherwise been consented to by the Borrower (with such consent not to be unreasonably withheld or delayed), such Class A Lender or Class B Lender shall be released from the portion of its Non-Conduit Lender Commitment in an aggregate amount equal to the Non-Conduit Lender Commitment of such assignee. Notwithstanding the foregoing, UBSRESI shall have the right, at any time, to assign and/or participate its Non-Conduit Lender Commitments and Advances with prior notice to the Borrower, but without the consent of the Borrower, to any Affiliate of UBSRESI that is a Qualifying Lender at the time of such assignment or participation, and/or to any commercial paper conduit, that is a Qualifying Lender at the time of such assignment or participation, and is administered by any Affiliate thereof or administered by any other Person for the exclusive or non-exclusive benefit of any Affiliate of UBSRESI, and UBSRESI shall be released from the portion of its Non-Conduit Lender Commitment in an aggregate amount equal to the Non-Conduit Lender Commitment of the applicable assignee. In addition, any Lender or any of its Affiliates may pledge or assign any of its rights under this Agreement and under the Transaction Documents to any Federal Reserve Bank within the United States, or if a Qualifying Lender at the time of such pledge or assignment, to any liquidity or credit support provider or any commercial paper conduit collateral trustee without notice to or consent of the Borrower or any Funding Agent. In the case of any Lender that is a fund that invests in bank loans, such Lender may, without the consent of Borrower or the Administrative Agent or any Funding Agent, collaterally assign or pledge all or any portion of its rights under this Agreement and

under the Transaction Documents, to any holder of, trustee for, or any other representative of holders of, obligations owed or securities issued, by such fund, as security for such obligations or securities, in each case provided that each such holder is a Qualifying Lender. The parties hereto each acknowledge and agree that a Participant is neither an assignee nor a participant for purposes of this Article XV.

SECTION 15.2 Documentation. The assignor and the assignee involved in an assignment referred to in Section 15.1 shall execute and deliver to the Administrative Agent an Assignment and Assumption, duly executed by each such party, and the assigning Lender shall promptly execute and deliver all further instruments and documents, and take all further action, that the assignee may reasonably request, in order to perfect, protect or more fully evidence the assignee's right, title and interest in, and to enable the assignee to exercise or enforce any rights hereunder or under any applicable Note. The Administrative Agent shall promptly deliver to the Borrower a copy of each Assignment and Assumption that it receives pursuant to the terms of this Section 15.2.

SECTION 15.3 Rights of Assignee. The respective assignee receiving such assignment shall have all of the rights of such Lender hereunder and all references to the Lenders in Section 16.1 shall be deemed to apply to such assignee.

SECTION 15.4 Endorsement. Each Lender authorizes the related Funding Agent to, and each Funding Agent agrees that it shall, endorse any applicable Note to reflect any assignments made pursuant to this Article XV or otherwise (but failure to endorse such Note shall not affect the right of any Lender hereunder).

SECTION 15.5 Registration; Registration of Transfer and Exchange.

(a) Each Funding Agent shall maintain an account or accounts evidencing the indebtedness of the Borrower to each Lender in such Funding Agent's Funding Group resulting from each Advance made by such Lender hereunder, including the amounts of principal and Yield payable and paid to such Lender from time to time hereunder. The entries made in such accounts shall be conclusive and binding for all purposes, absent manifest error. To the extent that any Funding Agent has not requested a Note pursuant to Section 2.5, such Funding Agent shall keep a register (the "Non-Note Register") in which, subject to such reasonable regulations as it may prescribe, such Funding Agent shall provide for the registration of Advances and Non-Conduit Lender Commitments held by any member of the Funding Group related to such Funding Agent and of any transfers of such Advances and Non-Conduit Lender Commitments. Each Funding Agent is hereby appointed "Non-Note Registrar" for the purpose of registering any transfers of Advances and Non-Conduit Lender Commitments held by any member of the Funding Group related to such Funding Agent as herein provided. The entries made in the Non-Note Register by the Non-Note Registrar shall be conclusive and binding for all purposes, absent manifest error.

(b) To the extent that any Funding Agent has requested a Note pursuant to Section 2.5, such Funding Agent shall keep a register (the "Note Register") in which, subject to such reasonable regulations as it may prescribe, such Funding Agent shall provide for the registration of Notes held by the Funding Group related to such Funding Agent and of transfer of such Notes.

Each Funding Agent is hereby appointed "Note Registrar" for the purpose of registering any Notes and transfers of Notes held by the Funding Group related to such Funding Agent as herein provided. The entries made in the Note Register by the Note Registrar shall be conclusive and binding for all purposes, absent manifest error.

(c) With respect to any Lender, the transfer of any commitment of any Lender and the rights to principal of, and interest on, any such commitment shall not be effective until such transfer is recorded on the Note Register or Non-Note Register maintained by the applicable Funding Agent with respect to ownership of such commitments prior to such recordation all amounts owing to the transferor with respect to such commitments shall remain owing to the transferor.

(d) Each Person who has or who acquired a Note, any Advances and/or any Non-Conduit Lender Commitment shall be deemed by the acceptance or acquisition thereof to have (i) agreed to be bound by the provisions of this Section 15.5 and (ii) represented to the Administrative Agent that the transfer of such Note, Advance and/or Non-Conduit Lender Commitment to such Person is exempt from registration or qualification under the Securities Act of 1933, as amended, and all applicable state securities laws and that such transfer does not constitute a "prohibited transaction" under ERISA (and agreed to deliver to the Administrative Agent evidence of the foregoing upon request the Administrative Agent).

(e) At the option of the holder thereof, any Note may be exchanged for one or more new Notes of any authorized denominations and of a like Class and aggregate principal amount at an office or agency of the applicable Funding Agent. Whenever any Notes are so surrendered for exchange, the Borrower shall execute and the applicable Funding Agent shall authenticate and deliver the new Notes which the holder making the exchange is entitled to receive.

(f) Upon surrender for registration of transfer of any Note at an office or agency of the applicable Funding Agent, the Borrower shall, at the request of such Funding Agent, execute and deliver, in the name of the designated transferee or transferees, one or more new Notes of any authorized denominations and of a like Class and aggregate principal amount.

(g) All Notes issued upon any registration of transfer or exchange of any Note in accordance with the provisions of this Agreement shall be the valid obligations of the Borrower, evidencing the same debt, and entitled to the same benefits under this Agreement, as the Note(s) surrendered upon such registration of transfer or exchange.

(h) Every Note presented or surrendered for registration of transfer or for exchange shall (if so required by the Borrower or the applicable Funding Agent) be fully endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Note Registrar, duly executed by the holder thereof or his attorney duly authorized in writing. Each such Note shall be accompanied by a statement providing the name of the transferee and indicating whether the transferee is subject to income tax backup withholding requirements and whether the transferee is the sole beneficial owner of such Notes.

(i) No service charge shall be made for any registration of transfer or exchange of Notes, but the Borrower may require payment from the transferee holder of a sum sufficient to

cover any tax or other governmental charge that may be imposed in connection with any registration of transfer of exchange of Notes, other than exchanges pursuant to this Section 15.5.

(j) The holders of the Notes shall be bound by the terms and conditions of this Agreement.

SECTION 15.6 Mutilated, Destroyed, Lost and Stolen Notes.

(a) If any mutilated Note is surrendered to the applicable Funding Agent, the Borrower shall, at the request of such Funding Agent, execute and the applicable Funding Agent shall authenticate and deliver in exchange therefor a new Note of like Class and tenor and principal amount and bearing a number not contemporaneously outstanding.

(b) If there shall be delivered to the Borrower and the applicable Funding Agent prior to the payment of any Note (i) evidence to their satisfaction of the destruction, loss or theft of such Note and (ii) such security or indemnity as may be required by them to save each of them and any agent of either of them harmless, then, in the absence of notice to the Borrower or the applicable Funding Agent that such Note has been acquired by a bona fide purchaser, the Borrower shall, at the request of such Funding Agent, execute and the applicable Funding Agent shall authenticate and deliver, in lieu of any such destroyed, lost or stolen Note, a new Note of like class, tenor and principal amount and bearing a number not contemporaneously outstanding.

(c) Upon the issuance of any new Note under this Section 15.6, the Borrower may require the payment from the transferor holder of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the applicable Funding Agent) connected therewith.

(d) Every new Note issued pursuant to this Section 15.6 and in accordance with the provisions of this Agreement, in lieu of any destroyed, lost or stolen Note shall constitute an original additional contractual obligation of the Borrower, whether or not the destroyed, lost or stolen Note shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Agreement equally and proportionately with any and all other Notes duly issued hereunder.

(e) The provisions of this Section 15.6 are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Notes.

SECTION 15.7 Persons Deemed Owners. The Borrower, any Service Provider, the applicable Funding Agent, the Administrative Agent and any agent of the Borrower, a Service Provider, the applicable Funding Agent or the Administrative Agent may treat the holder of any Note as the owner of such Note for all purposes whatsoever, whether or not such Note may be overdue, and none of the Borrower, any Service Provider, the applicable Funding Agent, the Administrative Agent and any agent of the Borrower, a Service

Provider, the applicable Funding Agent, or the Administrative Agent shall be affected by notice to the contrary.

SECTION 15.8 Cancellation. All Notes surrendered for payment or registration of transfer or exchange shall be delivered to the applicable Funding Agent, and shall be promptly

canceled by it and may be destroyed pursuant to the applicable Funding Agent's securities retention policies. The Borrower shall promptly deliver to the applicable Funding Agent for cancellation any Notes previously authenticated and delivered hereunder which the Borrower may have acquired in any manner whatsoever, and all Notes so delivered shall be promptly canceled by the applicable Funding Agent. No Notes shall be authenticated in lieu of or in exchange for any Notes canceled as provided in this Section 15.8, except as expressly permitted by this Agreement.

ARTICLE XVI

INDEMNIFICATION

SECTION 16.1 General Indemnity of the Borrower. Without limiting any other rights which any such Person may have hereunder or under applicable law, the Borrower hereby agrees to indemnify the Administrative Agent, the Collateral Agent, each Funding Agent on behalf of the members in the related Funding Group, each Lender and each of their respective Affiliates, and each of their respective successors, transferees, participants and assigns (and successors, transferees, participants and assigns thereof) and all officers, directors, shareholders, controlling Persons, employees and agents of any of the foregoing (each of the foregoing Persons being individually called an "Indemnified Party"), forthwith on demand, from and against any and all damages, losses, claims, liabilities and related costs and expenses, including reasonable attorneys' fees and disbursements (all of the foregoing being collectively called "Indemnified Amounts") awarded against or incurred by any of them arising out of or relating to any Transaction Document (or the Original Agreement) or the transactions contemplated thereby or the use of proceeds therefrom by the Borrower, including (without limitation) in respect of the funding of any Advance or in respect of any Aircraft, excluding, however, (a) Indemnified Amounts to the extent determined by a final non-appealable decision of a court of competent jurisdiction to have resulted from gross negligence or willful misconduct on the part of any Indemnified Party or its Affiliate, (b) any Taxes, loss of Tax benefits, or costs incurred in contesting any Taxes or loss of Tax benefits (the related indemnities for which are set out solely in Section 6.3 of this Agreement), (c) any Indemnified Amounts the liabilities for which are explicitly set out in another provision of this Agreement or the Transaction Documents, including costs and expenses covered by Section 17.4 of this Agreement, and (d) any Indemnified Amounts that constitute a cost or expense that is required to be borne by any Indemnitee pursuant to any other explicit provision of the Transaction Documents. Without limiting the foregoing, but subject to the exclusions described in clauses (a), (b), (c) and (d) above, the Borrower agrees to indemnify each Indemnified Party for Indemnified Amounts arising out of or relating to:

(i) the grant of a security interest to the Collateral Agent (for the benefit of the Lenders);

(ii) the breach of any representation or warranty made by the Borrower, any Service Provider, any Borrower Subsidiary (or any of their respective officers) under or in connection with this Agreement or the other Transaction Documents, any Quarterly Report, Monthly Report, officer's certificate or any other information,

report or certificate delivered by the Borrower or any Service Provider pursuant hereto or thereto, which shall have been false or incorrect in any material respect when made or deemed made;

(iii) the failure by the Borrower, any Service Provider or any Borrower Subsidiary to comply in any material way with any applicable law, rule or regulation with respect to any Aircraft or Lease, or the nonconformity of any Aircraft or Lease with any such applicable law, rule or regulation;

(iv) the failure to vest and maintain vested in the Collateral Agent, for the benefit of the Lenders, a first-priority security interest in all the Borrower Collateral, free and clear of any Adverse Claim;

(v) the failure to file, or any delay in filing, financing statements or other similar instruments or documents under the UCC of any applicable jurisdiction or other applicable laws with respect to any Borrower Collateral;

(vi) any dispute, claim, offset or defense (other than discharge in bankruptcy) of an Obligor to the payment of any Lease (including, without limitation, a defense based on such Lease not being a legal, valid and binding obligation of such Obligor enforceable against it in accordance with its terms);

(vii) the commingling of the proceeds of the Aircraft, the Leases or any other Borrower Collateral at any time with other funds;

(viii) any investigation, litigation or proceeding related to this Agreement or the use of proceeds of Advances or the Ownership of the Aircraft, the Leases or any other Borrower Collateral;

(ix) any failure of the Borrower, any Service Provider, or any Borrower Subsidiary to comply with its covenants

contained in this Agreement or any other Transaction Document; or

(xi) any claim brought by any Person other than an Indemnified Party arising from any activity by the Borrower, any Service Provider, or any Borrower Subsidiary or any Affiliate of any of them in servicing, administering or collecting any Aircraft or Lease.

SECTION 16.2 Waiver of Consequential Damages, Etc. To the fullest extent permitted by any applicable Requirement of Law, none of the Borrower, the Service Providers, or any Borrower Subsidiary shall assert, and each of them hereby waives, any claim against any Indemnified Party, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Transaction Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Advance or the use of the proceeds thereof. No Indemnified Party shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through

telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Transaction Documents or the transactions contemplated hereby or thereby.

ARTICLE XVII

MISCELLANEOUS

SECTION 17.1 No Waiver; Remedies. Neither the execution and delivery of this Agreement nor any failure on the part of any Lender, the Administrative Agent, the Collateral Agent, any Funding Agent, any Indemnified Party or any Affected Party to exercise, nor any delay by any such Person in exercising, any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise by any such Person of any right, power or remedy hereunder preclude any other or further exercise thereof, or the exercise of any other right, power or remedy. The remedies herein provided are cumulative and not exclusive of any remedies provided by law. Without limiting the foregoing, each Lender is hereby authorized by the Borrower at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other Indebtedness at any time owing by such Lender to or for the credit or the account of the Borrower against any and all obligations of the Borrower, now or hereafter existing under this Agreement, to the Administrative Agent, any Affected Party, any Indemnified Party or any Lender or their respective successors and assigns.

SECTION 17.2 Amendments, Waivers. Neither this Agreement nor any other Transaction Document, nor any provision hereof or thereof, may be waived, amended, supplemented or modified except, in each case, with the written consent of the Class Majority Lenders and Administrative Agent; provided, however, that no such waiver, amendment, supplement or modification shall be effective if the effect thereof would:

(i) waive, amend, supplement or modify any provision set forth in any of the following definitions without the consent of each of the Lenders: Additional Advance Commitment Period, Amortization Period, Class A Advances Limit, Class A Borrowing Base, Class A Borrowing Base Deficiency, Class B Advances Limit, Class B Borrowing Base, Class B Borrowing Base Deficiency, Conversion Date, Facility Termination Date, Initial Class A Borrowing Base, Initial Class B Borrowing Base, Initial Liquidity Reserve Amount, Required Liquidity Reserve Amount, Maximum Aggregate Principal Amount, Maximum Class A Principal Amount and Maximum Class B Principal Amount;

(ii) reduce the principal amount of any Advance or reduce the Yield payable in respect thereof, or reduce any fee payable hereunder, or change the form or currency of payment of any Obligation, without the written consent of each Lender affected thereby;

(iii) (A) change the Stated Maturity Date or any scheduled date of payment of any Class A Scheduled Principal Payment or Class B Scheduled Principal Payment, (B) postpone the date for payment of any Obligation hereunder or (C) change the amount of, waive or excuse any such payment, without the written consent of each Lender affected thereby;

(iv) increase the maximum duration of Interest Periods hereunder, without the written consent of each Lender affected thereby;

(v) permit the assignment or delegation by AerCap, the Borrower or any of the Borrower Subsidiaries of any of its respective rights or obligations under any Transaction Document (except as delegated pursuant to the Service Provider Agreements), without the written consent of each Lender;

(vi) release any material portion of the Collateral from the Lien of the Security Trust Agreement (other than in connection with a transfer, sale or other disposition permitted under Section 10.8 hereof or as otherwise provided in or contemplated by the Transaction Documents), or alter the relative priorities of the Obligations entitled to the Liens of the Security Trust Agreement, without the consent of each Lender;

(vii) change the amount of, or order of priority in which, payments of funds on deposit in the Collection Account, or the proceeds of draws from the Liquidity Reserve Account, are to be applied in accordance with the terms hereof, without the written consent of each Lender affected thereby;

(viii) change any provision in Section 4.4 or any other provision hereof in any manner which would alter the pro rata allocation among the Lenders, Class A Lenders or Class B Lenders, respectively, of Advances to be made hereunder or repayments in respect thereof, in each case without the written consent of each Lender affected thereby;

(ix) change any provision of this Section 17.2, without the consent of each Lender affected thereby;

(x) change the percentage set forth in the definition of Class Majority Lenders, Class A Majority Lenders, Class B Majority Lenders or Funding Group Majority Lenders, without the written consent of each Lender affected thereby;

(xi) change or waive any provision of Article XIV as the same applies to any Administrative Agent, or any other provision hereof as the same applies to the rights or obligations of any Administrative Agent, in each case without the written consent of such Administrative Agent;

(xii) change or waive any provision of Article XIVA as the same applies to any Funding Agent, or any other provision hereof as the same applies to the rights or obligations of any Funding Agent, in each case without the written consent of such Funding Agent; or

(xiii) change or waive any provision hereof as the same applies to the rights or obligations of the Administrative Agent, in each case without the written consent of such Administrative Agent.

The Borrower and the Service Providers agree to make such amendments to this Agreement from time to time as may be necessary to evidence the addition of a new Lender in any Funding Group or the addition of an Other Funding Group hereunder.

SECTION 17.3 Notices, Etc.

(a) Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service or sent by telecopier, to the intended party at the address or telecopier number of such party set forth under its name on the signature pages hereof or at such other address or telecopier number as shall be designated by such party in a written notice to the other parties hereto. Notices sent by hand or overnight courier service shall be deemed to have been given when received; notices sent by telecopier shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient). Notices delivered through electronic communications to the extent provided in paragraph (b) below, shall be effective as provided in said paragraph (b).

(b) Electronic Communications. Notices and other communications to the Lenders hereunder may (subject to Section 17.3(c)) be delivered or furnished by electronic communication (including e mail and Internet or intranet websites); provided that the foregoing shall not apply to notices to any Lender pursuant to Article II if such Lender has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent, the Trustee, the Borrower or the Servicer may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it (including as set forth in Section 17.3(c)); provided that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent or a Funding Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgment from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgment); provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

(c) Posting. Each of the Borrower and the Service Providers hereby agrees that it will provide to the Administrative Agent and each Funding Agent all information, documents and other materials that it is obligated to furnish to such Person pursuant to this Agreement and any other Transaction Document, including all notices, requests, financial statements, financial and other reports, certificates and other information materials, but excluding any such communication that (i) relates to a request for an Advance, (ii) relates to the payment of any principal or other amount due under this Agreement prior to the scheduled date therefor, (iii) provides notice of any Default under this Agreement or (iv) is required to be delivered to satisfy any condition precedent to the effectiveness of this Agreement and/or any borrowing or

other extension of credit hereunder (all such non-excluded communications, collectively, the "Communications"), by transmitting the

Communications in an electronic/soft medium in a format reasonably acceptable to such Person at the e-mail address of such party set forth under its name on the signature pages hereof or at such other e-mail address(es) provided to the Service Providers or the Borrower from time to time or in such other form, including hard copy delivery thereof, as such Person shall require. In addition, each of the Borrower and the Service Providers agrees to continue to provide the Communications to such Person in the manner specified in this Agreement or any other Transaction Document or in such other form, including hard copy delivery thereof, as such Person shall require. Nothing in this Section 17.3 shall prejudice the right of any party hereto to give any notice or other communication pursuant to this Agreement or any other Transaction Document in any other manner specified in this Agreement or any other Transaction Document or as any such party shall require. Also, nothing in this Section 17.3 shall be interpreted as requiring any Borrower Group Member or the Servicer to provide copies of Leases in a manner that would disclose Lease rentals thereon, although copies of Leases with rental redacted, and other portfolio information may be provided.

Each of the Borrower and the Service Providers further agrees that the Administrative Agent and the Funding Agents may make the Communications available to the Lenders by posting the Communications on Intralinks or a substantially similar electronic transmission system (the "Platform"). The Platform is provided "as is" and "as available." None of the Administrative Agent or the Funding Agents warrant the accuracy or completeness of the Communications, or the adequacy of the Platform and they expressly disclaim liability for errors or omissions in the communications. No warranty of any kind, express, implied or statutory, including, without limitation, any warranty of merchantability, fitness for a particular purpose, non-infringement of third party rights or freedom from viruses or other code defects, is made by any of them in connection with the Communications or the Platform. In no event shall any of them have any liability to the Borrower, any Service Provider, or any of their Affiliates, any Lender or any other person for damages of any kind, including direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of any transmission of communications through the Internet, except to the extent the liability of such person is found in a final non-appealable judgment by a court of competent jurisdiction to have resulted from such person's gross negligence or willful misconduct.

SECTION 17.4 Costs and Expenses. In addition to the rights of indemnification granted under Section 16.1, the Borrower agrees to pay on demand, at any time on or after the Closing Date, all costs and expenses (other than with respect to Taxes, the indemnities for which are set out solely in Section 6.3 of this Agreement) in connection with the preparation, execution, delivery and administration of this Agreement, the other Transaction Documents, and the other documents and agreements to be delivered hereunder, and any amendments, waivers or consents executed in connection with this Agreement and/or the other Transaction Documents, including, without limitation, (i) the reasonable legal fees and disbursements of Kaye Scholer LLP, counsel to the Administrative Agent, the initial Funding Agents hereunder and the initial Lenders hereunder, (ii) the other reasonable out-of-pocket costs and expenses of the Administrative Agent, the Funding Agents and the Lenders (the "Credit Parties"), including, without limitation, due diligence expenses, and printing, reproduction, document delivery and communication costs, each as incurred in connection with the transactions contemplated hereunder, or the preparation,

review, negotiation, execution and delivery and/or enforcement of the Transaction Documents (but excluding legal fees and disbursements for any counsel other than the counsel described in clause (i) above), (iii) any amendments, waivers and consents (but not any assignments or participation agreements) executed in connection with the Transaction Documents, (iv) all costs and expenses, if any (including counsel fees and expenses), of the Credit Parties, in connection with the enforcement of the Transaction Documents, and (v) all costs and expenses (including counsel fees and expenses) of the Collateral Agent and the Account Bank. The Borrower shall pay all amounts under this Section 17.4 from time to time upon demand pursuant to the Flow of Funds and after the Borrower and the Service Providers have been furnished with reasonably detailed evidence thereof. The Borrower's obligations under this paragraph shall survive any termination of this Agreement.

SECTION 17.5 Binding Effect; Survival. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, and the provisions of Article VI, Article XI and Article XVI shall inure to the benefit of the Indemnified Parties, respectively, and their respective successors and assigns; provided, however, nothing in the foregoing shall be deemed to authorize any assignment not permitted by Article XV. This Agreement shall create and constitute the continuing obligations of the parties hereto in accordance with its terms, and shall remain in full force and effect until such time, after the Facility Termination Date when all Obligations have been finally and fully paid and performed. The rights and remedies with respect to any breach of any representation and warranty made by the Borrower pursuant to Article IX and the indemnification and payment provisions of Article VI and Article XVI and Section 17.4 shall be continuing and shall survive any termination of this Agreement and any termination of any member of the AerCap Group's rights to act as a Service Provider hereunder or under any other Transaction Document.

SECTION 17.6 Captions and Cross References. The various captions (including, without limitation, the table of contents) in this Agreement are provided solely for convenience of reference and shall not affect the meaning or interpretation of any provision of this Agreement. Unless otherwise indicated, references in this Agreement to any Section, Schedule or Exhibit are to such Section of or Schedule or Exhibit to this Agreement, as the case may be, and references in any Section, subsection, or clause to any subsection, clause or subclause are to such subsection, clause or subclause of such Section, subsection or clause.

SECTION 17.7 Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 17.8 Governing Law; Venue.

(a) **THIS AGREEMENT SHALL IN ACCORDANCE WITH SECTION 5-1401 OF THE GENERAL**

OBLIGATIONS LAW OF THE STATE OF NEW YORK BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO ANY CONFLICTS OF LAW PRINCIPLES THEREOF THAT WOULD CALL FOR THE APPLICATION OF THE LAWS OF ANY OTHER JURISDICTION, EXCEPT TO

THE EXTENT THAT THE PERFECTION OF THE INTERESTS OF THE COLLATERAL AGENT FOR THE BENEFIT OF THE LENDERS IN THE BORROWER COLLATERAL, THE PARENT COLLATERAL, OR REMEDIES HEREUNDER, IN RESPECT THEREOF, ARE GOVERNED BY THE LAWS OF A JURISDICTION OTHER THAN THE STATE OF NEW YORK.

(b) **EACH PARTY TO THIS AGREEMENT HEREBY WAIVES ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUIT, LEGAL ACTION OR PROCEEDING ARISING DIRECTLY OR INDIRECTLY UNDER OR RELATING TO THIS AGREEMENT IN ANY COURT LOCATED IN THE BOROUGH OF MANHATTAN, CITY AND STATE OF NEW YORK AND HEREBY FURTHER WAIVES ANY CLAIM THAT A COURT LOCATED IN THE BOROUGH OF MANHATTAN, CITY AND STATE OF NEW YORK IS NOT A CONVENIENT FORUM FOR ANY SUCH SUIT, LEGAL ACTION OR PROCEEDING.**

(c) **EACH OF THE BORROWER AND THE SERVICE PROVIDERS, AGREES THAT THE PROCESS BY WHICH ANY SUIT, ACTION OR PROCEEDING IS BEGUN MAY BE SERVED ON IT BY BEING DELIVERED IN CONNECTION WITH ANY SUIT, ACTION OR PROCEEDING IN THE CITY OF NEW YORK TO NATIONAL REGISTERED AGENTS, INC., WITH AN OFFICE ON THE DATE HEREOF AT 875 AVENUE OF THE AMERICAS, SUITE 501, NEW YORK, NEW YORK 10001, AND EACH OF THEM HEREBY APPOINTS NATIONAL REGISTERED AGENTS, INC. ITS DESIGNEE, APPOINTEE AND AGENT TO RECEIVE, ACCEPT AND ACKNOWLEDGE FOR AND ON ITS BEHALF SUCH SERVICE OF LEGAL PROCESS.**

SECTION 17.9 Counterparts.

(a) Counterparts; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by telecopier shall be effective as delivery of a manually executed counterpart of this Agreement.

(b) Electronic Execution of Assignments. The words “execution,” “signed,” “signature,” and words of like import in any Transaction Document shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable Requirement of Law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

SECTION 17.10 WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHTS IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS AGREEMENT OR ANY OTHER TRANSACTION DOCUMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF THE BORROWER, THE ADMINISTRATIVE AGENT, THE LENDERS OR ANY OTHER AFFECTED PERSON OR INDEMNIFIED PARTY. THE BORROWER ACKNOWLEDGES AND AGREES THAT IT HAS RECEIVED FULL AND SUFFICIENT CONSIDERATION FOR THIS PROVISION (AND EACH OTHER PROVISION OF EACH OTHER TRANSACTION DOCUMENT TO WHICH IT IS A PARTY) AND THAT THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE ADMINISTRATIVE AGENT AND THE LENDERS ENTERING INTO THIS AGREEMENT AND EACH SUCH OTHER TRANSACTION DOCUMENT.

SECTION 17.11 Third Party Beneficiary. This Agreement shall only inure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns and no third party is entitled to benefit from this Agreement or the terms hereof.

SECTION 17.12 No Proceedings. Each of the Service Providers and the Collateral Agent agrees that it will not institute against the Borrower or any Borrower Subsidiary, or join any other Person in instituting against the Borrower or any Borrower Subsidiary, any insolvency proceeding (namely, any proceeding of the type referred to in the definition of Event of Bankruptcy) so long as, any Advances or other amounts due from the Borrower hereunder shall be outstanding or there shall not have elapsed one year plus one day since the last day on which any such Advances or other amounts shall be outstanding. Each of the Service Providers, the Collateral Agent, each Lender, the Administrative Agent, each Funding Agent and any assignee or other holder of a Note hereby agrees that it will not institute against any Other Conduit, or join any other Person in instituting against any Other Conduit, any insolvency proceeding (namely, any proceeding of the type referred to in the definition of Event of Bankruptcy) so long as any commercial paper or other senior indebtedness issued by such Other Conduit, as applicable, shall be outstanding or there shall not have elapsed one year plus one day since the last day

on which any such commercial paper or other senior indebtedness shall be outstanding. The foregoing shall not limit such Person's right to file any claim in or otherwise take any action with respect to any insolvency proceeding that was instituted by any Person other than such Person.

SECTION 17.13 ENTIRE AGREEMENT. THIS AGREEMENT AND THE OTHER TRANSACTION DOCUMENTS EXECUTED AND DELIVERED HEREWITH REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES HERETO AND THERETO AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES.

SECTION 17.14 Resolution of Drafting Ambiguities. Each of the Borrower and the Service Providers acknowledges and agrees that it was represented by counsel in connection with the execution and delivery of the Transaction Documents to which it is a party, that it and its counsel reviewed and participated in the preparation and negotiation hereof and thereof and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in the interpretation hereof or thereof.

SECTION 17.15 Confidentiality.

(a) Unless otherwise required by applicable law, the Borrower and the Service Providers each agrees to maintain the confidentiality of the financial terms and conditions of this Agreement, the other Transaction Documents and the transactions contemplated hereby and thereby and the identity of the parties hereto, to the other Transaction Documents and otherwise participating in such transactions; *provided*, that this Agreement may be disclosed to (i) third parties to the extent such disclosure is made pursuant to a written agreement of confidentiality in form and substance reasonably satisfactory to the Administrative Agent and each Funding Agent, (ii) the Borrower's legal counsel and auditors and (iii) any Government Entity if required by law.

(b) Each of the Administrative Agent, each Funding Agent, the Collateral Agent, the Account Bank (in each case, for itself and not on behalf of any Lender or other party hereto) and each of the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its and its Affiliates' respective partners, directors, officers, employees, agents, advisors and other representatives (it being understood that the persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority purporting to have jurisdiction over it (including the Japanese central bank, in the case of a Lender organized under the laws of Japan, or any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable Requirements of Law or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Transaction Document or any action or proceeding relating to this Agreement or any other Transaction Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section 17.15(b), to (i) any assignee of or participant in (and including a Participant), or any prospective assignee of or participant in (including a prospective Participant), any of its rights or obligations under this Agreement, (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Borrower and its obligations or (iii) any rating agency for the purpose of obtaining a credit rating applicable to any Lender, (g) to the Borrower, any member of the AerCap Group or any of their respective Subsidiaries or (h) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section 17.15(b) or (y) becomes available to the Administrative Agent, any Funding Agent, the Collateral Agent, the Account Bank, any Lender or any of their respective Affiliates on a nonconfidential basis from a source other than a member of the AerCap Group, the Borrower, a Service Provider or any of their respective Subsidiaries. For purposes of this Section, "Information" means all information received from AerCap or any member of the AerCap Group, the Borrower or any of their respective Subsidiaries relating to AerCap, the AerCap

Group, the Borrower or any of their respective Subsidiaries or any of their respective businesses, other than any such information that is available to the Administrative Agent, any Funding Agent, the Collateral Agent, the Account Bank or any Lender on a nonconfidential basis prior to disclosure by AerCap, any member of the AerCap Group, the Borrower or any of their respective Affiliates. Any person required to maintain the confidentiality of Information as provided in this Section 17.15(b) shall be considered to have complied with its obligation to do so if such person has exercised the same degree of care to maintain the confidentiality of such Information as such person would accord to its own confidential information.

SECTION 17.16 USA Patriot Act Notice. The Administrative Agent, each Funding Agent (in each case, for itself and not on behalf of any Lender) and each Lender hereby notifies the Borrower and AerCap that pursuant to the requirements of the Patriot Act, such Person is required to obtain, verify, and record information that identifies the Borrower and AerCap, which information includes the name and address of the Borrower and AerCap and other information that will allow such Person to identify the Borrower and AerCap in accordance with the Patriot Act.

SECTION 17.17 Collateral Agent/Account Bank Notice. To help fight the funding of terrorism and money laundering activities, the Collateral Agent and the Account Bank will obtain, verify and record information identifies individuals or entities that establish a relationship or open an account with the Collateral Agent and/or Account Bank. The Collateral Agent and Account Bank will ask for the name, address, tax identification number and other information that will allow either of them to identify the individual or entity who is establishing the relationship or opening the account. The Collateral Agent and Account Bank may also ask for formation documents such as articles of incorporation, an offering memorandum, or other identifying documents to be provided.

SECTION 17.18 Collateral Agent/Account Protections. The rights, protections and indemnities of the Collateral Agent as set forth in the Security Trust Agreement shall be incorporated herein for the benefit of the Collateral Agent and the Account Bank, as applicable, as though explicitly set forth herein.

SECTION 17.19 Termination.

(a) Termination. The Borrower may, at its option, terminate this Agreement and the other Credit Documents (collectively, the "Termination"); provided, that:

(i) the Borrower has prepaid the Outstanding Principal Amount and paid all Yield accrued thereon, all accrued Fees and all other Obligations (collectively, the "Termination Payment");

(ii) the Borrower shall have provided to the Administrative Agent and each Lender at least five Business Days' prior written notice of the Termination Payment and Termination; and

(iii) either (x) the Termination Payment and Termination shall occur after the first anniversary of the Closing Date or (y) the Borrower shall have paid to (1)

the Class A Funding Agent, on behalf of the Class A Lenders, a fee equal to the aggregate Class A Commitment Fees that, but for the occurrence of the Termination, would have been payable under the Fee Letter with respect to the period commencing on the date of the Termination and ending on the first anniversary of the Closing Date (such Class A Commitment Fees to be calculated assuming that the Outstanding Class A Principal Amount shall be zero during such period) and (2) the Class B Funding Agent, on behalf of the Class B Lenders, a fee equal to the aggregate Class B Commitment Fees that, but for the occurrence of the Termination, would have been payable under the Fee Letter with respect to the period commencing on the date of the Termination and ending on the first anniversary of the Closing Date (such Class B Commitment Fees to be calculated assuming that the Outstanding Class B Principal Amount shall be zero during such period).

[Signature pages to follow.]

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

AERFUNDING 1 LIMITED, as Borrower

By: _____
Name: _____
Title: _____

AerFunding 1 Limited
Clarendon House
2 Church Street
Hamilton, HM 11
Bermuda
Facsimile No.: 441-292-4720 / 295-1861

with a copy to:

AerCap Administrative Services Limited
AerCap House
Shannon
Ireland

Attention: Company Secretary
Facsimile No.: +353 61 723850

AERCAP IRELAND LIMITED

By: _____
Name: _____
Title: _____

AerCap Ireland Limited
AerCap House
Shannon
Ireland
Attention: Company Secretary
Facsimile No.: +353 61 723850

AERCAP ADMINISTRATIVE SERVICES LIMITED

By: _____
Name: _____
Title: _____

AerCap Administrative Services Limited

AerCap House
Shannon
Ireland
Attention: Company Secretary
Facsimile No.: +353 61 723850

AERCAP CASH MANAGER II LIMITED

By: _____
Name: _____
Title: _____

AerCap Cash Manager II Limited
AerCap House
Shannon
Ireland
Attention: Company Secretary
Facsimile No.: +353 61 723850

UBS SECURITIES LLC, as Administrative Agent
and as UBS Funding Agent

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

1285 Avenue of the Americas - 11th Floor
New York, NY 10019
Attention: Prakash Wadhwani
Telephone No.: 212-713-3983
Facsimile No.: 212-713-7999
e-mail: Prakash.Wadhwani@ubs.com

with a copy to:

1285 Avenue of the Americas - 11th Floor
New York, NY 10019
Attention: Kathy Pringle
Telephone No.: 212-713-9750
e-mail: Kathy-K.Pringle@ubs.com

with a further copy to:

677 Washington Blvd., 6th floor tower
Stamford, CT 06901
Attention: Marc Ferrante
Telephone No.: 203-719-1251
e-mail: DL-RESIFUNDING@ubs.com

UBS REAL ESTATE SECURITIES INC., as a
UBS Non-Conduit Lender, a Class A Lender and a
Class B Lender

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

Class A Non-Conduit Lender Commitment:
$675,000,000

Class B Non-Conduit Lender Commitment:
$135,000,000

1285 Avenue of the Americas - 11th Floor
New York, NY 10019
Attention: Prakash Wadhwani
Telephone No.: 212-713-3983
Facsimile No.: 212-713-7999
e-mail: Prakash.Wadhwani@ubs.com

with a copy to:

1285 Avenue of the Americas - 11th Floor
New York, NY 10019
Attention: Kathy Pringle
Telephone No.: 212-713-9750
e-mail: Kathy-K.Pringle@ubs.com

with a further copy to:

677 Washington Blvd., 6th floor tower
Stamford, CT 06901
Attention: Marc Ferrante
Telephone No.: 203-719-1251
e-mail: DL-RESIFUNDING@ubs.com

DEUTSCHE BANK TRUST COMPANY
AMERICAS, as Collateral Agent and as Account
Bank

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

60 Wall Street - 26th Floor
New York, NY 10005
Attention: Trust and Securities/Structured Finance
Services
Facsimile No.: 1-212-553-2458

[Credit Agreement]

THE TOKYO STAR BANK, LIMITED, as a
Class A Lender and UBS Non-Conduit Lender

By: _____
Name: Tomomi Kihara
Title: Attorney-in-Fact

Class A Non-Conduit Lender Commitment:
$30,000,000

1-6-16, Akasaka, Minato-ku
Tokyo 107-8480
JAPAN
Attention: Tomomi Kihara
Telephone No.: +81-3-3224-2986
Facsimile No.: +81-3-3224-6210

[Credit Agreement]

AOZORA BANK, LTD., as a
Class A Lender, a Class B Lender and a
UBS Non-Conduit Lender

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

Class A Non-Conduit Lender Commitment:
$50,000,000

Class B Non-Conduit Lender Commitment:

$25,000,000

3-1, Kudan-minami 1-chome, Chiyoda-ku
Tokyo 102-8660
JAPAN

Attention: Hajime Nemoto, Structured Credit and Investment Division
Telephone No.: +81-3-5212-9413
Facsimile No.: +81-3-3263-9872

[Credit Agreement]

NEWSTAR FINANCIAL, INC., as a
Class B Lender and UBS Non-Conduit Lender

By: _____
Name:
Title:

Class B Non-Conduit Lender Commitment:
$10,000,000

_____
_____
_____
Attention:
Telephone No.:
Facsimile No.:

[Credit Agreement]

KfW, as a
Class A Lender and UBS Non-Conduit Lender

By: _____
Name:
Title:

Class A Non-Conduit Lender Commitment:
$75,000,000

KfW IPEX Bank
Palmengartenstrasse 5-9
60325 Frankfurt am Main
GERMANY
Attention: Torsten Osterloh / X2b
Telephone No.: +49 69 7431 2457
Facsimile No.: +49 69 7431 3767

[Credit Agreement]

Appendix I

Portfolio Limitations and Eligible Aircraft

TABLE 1

Aircraft Type	Category	Maximum Aircraft Type Concentration Percentage*	Maximum Age (in months)*
A319-100	1	75%	96-120
A320-200 (A1 Engine)	2	25%	120-189
A320-200 (Non A1 Engine) ***	1	75%	96-120
A321-200	1	25%-35%	96-120
B737-300	2	20-35%	144-189

B737-300F	2	20-35%	60-84**
B737-400	2	20-35%	144-189
B737-400F	2	20-35%	60-84**
B737-500	3	20-35%	144-180
B737-700	1	75%	96-120
B737-800	1	75%	96-120
B747-400F	2	10-15%	60-84*
B757-200Pax	3	10-20%	144-180
B757-200F	2	20-30%	60-84**
B767-300ER	3	15%-20%	144-180
B777-200ER	2	25%	96-120
B777-300ER	2	25%	96-120
A330-200	2	15%	96-144
A330-300	3	5-10%	96-144
MD-11F	3	10-15%	60-84**

* Ranges are listed due to their relevance to Advance Rate Adjustment provisions
** Aircraft Age from Freighter Conversion Effective Date
*** A320-200 (Non A1 Engine) older than 120 months of age shall be treated thereafter as an A320-200 (A1 Engine)

Base Advance Rates:

TABLE 2

Aircraft Type	Category	Class A Advance Rate if Critical Mass does not exist	Class A Advance Rate while Critical Mass exists	Class B Advance Rate is Critical Mass does not exist	Class B Advance Rate while Critical Mass exists
A319-100	1	63.6%	68.6%	74.0%	79.0%
A320-200 (A1 Engine)	2	58.6%	63.6%	69.0%	74.0%
A320-200 (Non A1 Engine) ***	1	63.6%	68.6%	74.0%	79.0%
A321-200	1	63.6%	68.6%	74.0%	79.0%
B737-300	2	58.6%	63.6%	69.0%	74.0%
B737-300F	2	58.6%	63.6%	69.0%	74.0%
B737-400	2	58.6%	63.6%	69.0%	74.0%
B737-400F	2	58.6%	63.6%	69.0%	74.0%
B737-500	3	52.6%	57.6%	63.0%	68.0%
B737-700	1	64.6%	69.6%	75.0%	80.0%
B737-800	1	64.6%	69.6%	75.0%	80.0%
B747-400F	2	59.6%	64.6%	70.0%	75.0%
B757-200Pax	3	53.6%	58.6%	64.0%	69.0%
B757-200F	2	61.6%	66.6%	72.0%	77.0%
B767-300ER	3	52.6%	57.6%	63.0%	68.0%
B777-200ER	2	59.6%	64.6%	70.0%	75.0%
B777-300ER	2	59.6%	64.6%	70.0%	75.0%
A330-200	2	57.6%	62.6%	68.0%	73.0%
A330-300	3	50.6%	55.6%	61.0%	66.0%
MD-11F	3	50.6%	55.6%	61.0%	66.0%

*** see previous page legend

[continues next page]

Geographical Diversification:

Country Concentration Limits

Country	Percentage
United States	30%

United Kingdom	30%
Countries rated BBB/Baa2 (or the equivalent) or better (1)	20%
India	15 — 20% (2)
Other	15%

Region Concentration Limits

Region	Percentage
Any Developed Market Region (3)	50%
Any Emerging Market Region other than Asia (3)	35%
Emerging Market Asia (3)	45%
Other (3)	20% (4)
Asia/Pacific (3)	55%

(1) Based on the sovereign foreign currency debt rating assigned by the rating agencies to the country in which a Lessee is domiciled at the time the relevant lease is executed

(2) Up to a Facility Limit Percentage of 15% if Aircraft are under lease to only one Lessee or any of its Affiliates ("Lessee Group") domiciled in India; up to 20% if Aircraft are under lease to more than one Lessee Group domiciled in India, so long as a single Lessee Group domiciled in India does not account for a Facility Limit Percentage of more than 15% of the aggregate Aircraft so leased to Lessee Groups domiciled in India

(3) The designations of Emerging Markets and Developed Markets are as determined and published by Morgan Stanley Capital International (or such other information source as shall be acceptable to the Administrative Agent) from time to time based on, among other things, gross domestic product levels, regulation of foreign ownership of assets, applicable regulatory environment, exchange controls and perceived investment risk. The current designations are set out below:

Region	Country
Developed Markets	
Europe	EU (except Greece, Luxembourg, Czech Republic, Hungary, Poland, Cyprus, Estonia, Latvia, Lithuania, Malta, Slovakia and Slovenia), Norway and Switzerland
North America	Canada and United States

Pacific	Australia, Hong Kong, Japan, New Zealand and Singapore

Region	Country
Emerging Markets	
Asia	China, India, Indonesia, South Korea, Malaysia, Pakistan, Philippines, Sri Lanka, Taiwan and Thailand
Europe and Middle East	Czech Republic, Greece, Hungary, Israel, Jordan, Poland, Russia, Turkey, Cyprus, Estonia, Latvia, Lithuania, Malta, Slovakia and Slovenia
Latin America	Argentina, Brazil, Chile, Colombia, Mexico, Peru and Venezuela
Other	All other countries (generally those that have small or underdeveloped capital markets)

(4) In addition, within the "Other" designation, no more than 5% shall be leased to Lessees or Affiliates thereof domiciled in "Other" countries in Africa.

Form of Advance Request

[See attached]

EXHIBIT B

FORM OF NOTE

[See attached]

EXHIBIT C

Form of Assignment and Assumption

[See attached]

ASSIGNMENT AND ASSUMPTION
(Class [ ] Advances)

This Assignment and Assumption (Class [ ] Advances)(this "Assignment and Assumption") is dated as of the Effective Date set forth below and is entered into by and between [ ], in its capacity as a Lender under the Credit Agreement identified below (as amended, the "Credit Agreement") (such Lender, the "Assignor"), and [ ] (the "Assignee"). Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement, receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto (the "Standard Terms and Conditions") are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date (i) all of the Assignor's rights and obligations in its capacity as a Class [ ] Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amounts and percentage interests identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity, in each case, solely to the extent related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above being referred to herein collectively as, the "Assigned Interest"). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty of any kind, whether express or implied, by the Assignor.

(a) Assignor:

(b) Assignee:

(c) Borrower: AerFunding 1 Limited

(d) Administrative Agent: UBS Securities LLC, as the administrative agent under the Credit Agreement

(e) Funding Agent with respect to loans being assigned: , as the funding agent for the **[ ]** Funding Group under the Credit Agreement

(f) Collateral Agent: Deutsche Bank Trust Company Americas

(g) Credit Agreement: That certain Amended and Restated Credit Agreement dated as of May 8, 2007 by and among AerFunding 1 Limited as Borrower, AerCap Ireland Limited as Servicer, the Other Service Providers party thereto, UBS Real Estate Securities Inc. ("UBSRESI") and other financial institutions named therein (or that become parties thereto), as Class A Lenders, UBSRESI, and other financial institutions named therein (or that become parties thereto), as Class B Lenders, UBS Securities LLC as the Administrative Agent and as UBS Funding Agent, the other funding agents named therein, and the Collateral Agent.

(h) Assignee Notice Information: [ ]

(i) Assigned Interest:

Class of Advances and commitments assigned	Amount of Non-Conduit Lender Commitment of (1)	Amount of Non-Conduit Lender Commitment of (2) assigned	Percentage of Non-Conduit Lender Commitment of (3) assigned	Amount of Advances of (4)	Amount of Advances of (5) assigned	Percentage of Advances of (6) assigned
[Class A/Class B]	$	$	. %	$	$	. %

(1) Applicable A Lender or B Lender.
(2) Applicable A Lender or B Lender.
(3) Applicable A Lender or B Lender.
(4) Applicable A Lender or B Lender.
(5) Applicable A Lender or B Lender.
(6) Applicable A Lender or B Lender.

Effective Date: , 20

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR
[NAME OF ASSIGNOR]

By: _____
Name:
Title:

ASSIGNEE
[NAME OF ASSIGNEE]

By: _____
Name:
Title:

Consented to and Accepted:

[NAME OF RELEVANT PARTY], as
Funding Agent

By _____
Name:
Title:

By _____
Name:
Title:

ANNEX 1 to
Assignment and Assumption

STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AND ASSUMPTION
(AerFunding 1 Limited Credit Agreement)

1. Representations and Warranties.

1.1 Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim created by the Assignor and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby, including providing prior notice of the assignment contemplated by this Assignment and Assumption to the Borrower; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Transaction Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Transaction Documents or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Transaction Document or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Transaction Document.

1.2 Assignee. The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, **[**(ii) it meets all requirements of an Eligible Assignee under the Credit Agreement (subject to receipt of such consents as may be required under the Credit Agreement),**]**(7) (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement, including the requirements concerning confidentiality and indemnification, as a Lender and a [ ] Non-Conduit Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it is a Qualifying Lender as of the Effective Date, and it will notify the Borrower reasonably promptly after it becomes aware that it is no longer a Qualifying Lender, (v) it has received a copy of the Credit Agreement and the other Transaction Documents, together with copies of such financial statements and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent, any Funding Agent, the Assignor or any other Lender, and (vi) attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the

(7) Delete if an Event of Default has occurred.

Assignee(8); and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, any Funding Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Transaction Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Transaction Documents are required to be performed by it as a Lender. Without limiting any other provision of this Assignment and Assumption, the Assignee hereby agrees to be bound by and to abide by the provisions of Section 15.5 of the Credit Agreement.

2. Payments.

From and after the Effective Date, the **[ ]** Funding Agent shall transfer all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts), to the extent such payments are received by the Class A Funding Agent from the Collateral Agent pursuant to Section 8.1(e) of the Credit Agreement, to the Assignor for amounts which have accrued to but excluding the Effective Date and to the Assignee for amounts which have accrued from and after the Effective Date.

3. General Provisions.

This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. THIS ASSIGNMENT AND ASSUMPTION SHALL IN ACCORDANCE WITH SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO ANY CONFLICTS OF LAW PRINCIPLES THEREOF THAT WOULD CALL FOR THE APPLICATION OF THE LAWS OF ANY OTHER JURISDICTION.

(8) Including, without limitation, if the Assignee is legally entitled to so deliver, any form or information prescribed by applicable Requirements of Law as a basis for claiming exemption from or a reduction in withholding tax duly completed together with such supplementary documentation as may be prescribed by any applicable Requirement of Law to permit the Borrower or any applicable Funding Agent to determine the withholding or deduction required to be made.

EXHIBIT D

Form of Quarterly Report

[See attached]

EXHIBIT E

[Reserved]

EXHIBIT F

[Reserved]

EXHIBIT G

Form of Servicing Agreement

[See attached]

EXHIBIT H

Form of Monthly Report

[See attached]

EXHIBIT I

Form of Security Trust Agreement

[See attached]

EXHIBIT J

Form of Participation Agreement

[See attached]

EXHIBIT K

Forms of Opinion of Counsel

to Borrower Group/AerCap

K-1

EXHIBIT L

Forms of Opinion of Counsel

To Administrative Agent/Lenders

L-1

EXHIBIT M

Form of AerCap-Borrower Purchase Agreement

[See attached]

M-1

EXHIBIT N

Form of Syndication Cooperation Agreement

[See attached]

N-1

EXHIBIT O

AerFunding 1 Limited Hedging Policy
As Of April 26, 2006

Hedging Methods/Objectives

- The Borrower will use interest rate derivatives to hedge the interest rate risk ("Exposure") arising from the mis-match between its fixed and floating rate lease assets, cash balances held in the Liquidity Reserve Account, and Advances provided through this Credit Agreement.

Strategy

- The Exposure will be calculated based on the current and projected outstanding principal balances of Advances, the Borrower's existing interest rate derivatives portfolio, the Borrower's cash balances held in the Liquidity Reserve Account, and the maturity profile of the Borrower's Lease portfolio.

- At least 70% of the Exposure (the "Hedge Requirement") will be hedged through the use of Eligible Hedge Agreements.

- If any Eligible Hedge Agreement constituting interest rate caps are used, the spread above the then "at-the-money" strike rate shall not exceed 1.50%. Eligible Hedge Agreements constituting interest rate swaps will require the Borrower to pay a fixed rate and receive a monthly floating rate, against the notional amount stated therein.

- The Borrower will evaluate monthly whether it is in compliance with the Hedge Requirement and if its determination concludes that it is not in compliance, the Borrower will promptly make adjustments to its portfolio of Eligible Hedge Agreements to restore compliance.

- On behalf of the Borrower, the Cash Manager will be obligated to assist the Borrower in implementing and maintaining the Hedging

Policy, pursuant to the terms of the Cash Management Agreement and in compliance with this Credit Agreement.

Modification

If the Borrower desires to amend the Hedging Policy, it may present the proposed change in or replacement Hedging Policy to the Administrative Agent. The Administrative Agent must approve the proposed change or replacement in order for it to be adopted and become the Hedging Policy hereunder. Any proposed modification not so approved shall not be given effect, and the existing current Hedging Policy shall continue as the Hedging Policy for purposes of the Credit Agreement.

SCHEDULE I

List of Aircraft

[See attached]

SCHEDULE II

List of Aircraft Owning Entities, the Aircraft Owned by Such Aircraft Owning Entities and the associated Owner Participants and Owner Trustees

[See attached]

SCHEDULE III

List of Leases

[See attached]

SCHEDULE IV

Approved Country List

All countries that are members of the European Union

Argentina
Aruba
Azerbaijan
Australia
Brazil
Canada
Chile
China
Colombia
Costa Rica
Egypt
El Salvador
Ethiopia
Guatemala
Hong Kong
Iceland
India
Indonesia
Israel
Jamaica
Japan

Jordan
Kazakstan
Korea
Macau
Malaysia
Malta

Mauritius
Mexico
New Zealand
Nigeria
Norway
Pakistan
Panama
Peru
Philippines
Qatar
Russia (provided that the Aircraft is not registered in Russia, *i.e.* applicable Lessee is domiciled or organized under the laws of Russia)
Singapore
South Africa
Sri Lanka
Switzerland
Taiwan
Thailand
Trinidad & Tobago
Turkey
Ukraine
USA
Vietnam

In addition, countries ratifying/acceding to the Cape Town Convention are included as provided in clause (c) of the definition of Approved Country List.

SCHEDULE V

[Reserved]

SCHEDULE VI

Account Details

Deutsche Bank Trust Company Americas
60 Wall Street - 26th Floor
New York, NY 10005
ABA: 021001033

Borrower Funding Account
Account Number: 51948
Account Name: AERFUNDING 1 LTD
BORROWER FDG

Collection DDA Account
Account Number: 01-474-339
Account Name:

Collection Trust Account
Account Number: 51944
Account Name: AERFUNDING 1 LTD
COLLECTIONS

Liquidity Reserve Account
Account Number: 51949
Account Name: AERFUNDING 1 LTD
LIQUIDITY RES

Maintenance Reserve Trust Account
Account Number: 51945
Account Name: AERFUNDING 1 LTD
MAINT RESERVE

Maintenance Reserve DDA Account
Account Number: 01474611
Account Name: DBTCA as Collateral Agent
for AerFunding 1 Ltd., Maintenance
Reserve Account

Security Deposit Account
Account Number: 51946
Account Name: AERFUNDING 1 LTD
SECURITY DEP

[Hong Kong Account Bank] — Hong Kong Holding Account
Account Number:
Account Name:

[Irish Bank] — Irish VAT Refund Account
Account Number:
Account Name:

[London Account Bank] — London Holding Account
Account Number
Account Name:

Non-Trustee Accounts

Name and Address of Bank	Account Number
N/A	N/A

SCHEDULE VII

[Reserved]

SCHEDULE VIII

Capitalization and Subsidiaries

[See attached]

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Exhibit 10.16

EXECUTION VERSION

AMENDED AND RESTATED TRUST INDENTURE

dated as of May 8, 2007

among

AIRCRAFT LEASE SECURITISATION LIMITED,
as the Issuer

DEUTSCHE BANK TRUST COMPANY AMERICAS,
as the Cash Manager, Operating Bank and Trustee

CALYON,
as Initial Primary Liquidity Facility Provider

and

MBIA INSURANCE CORPORATION,
as the Policy Provider

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Schedules

This AMENDED AND RESTATED TRUST INDENTURE, dated as of May 8, 2007 (this "Indenture"), is made among AIRCRAFT LEASE SECURITISATION LIMITED, a special purpose public company incorporated with limited liability in Jersey, Channel Islands (the "Issuer"), DEUTSCHE BANK TRUST COMPANY AMERICAS, in its capacity as the Trustee under this Indenture, in its capacity as Cash Manager and in its capacity as Operating Bank, CALYON, a société anonyme organized under the laws of France (the "Initial Primary Liquidity Facility Provider") and MBIA INSURANCE CORPORATION, a New York stock insurance company (the "Policy Provider"). Capitalized terms used herein shall have the respective meanings set forth or referred to in Article I hereto.

WHEREAS, the parties hereto (other than the Initial Primary Liquidity Facility Provider) have previously entered into that certain Trust Indenture dated as of September 15, 2005 (the "Original Indenture") pursuant to which Class G-1A Notes, Class G-2A Notes, Class C-1 Notes, Class D-1 Notes and Class E-1 Notes (as such terms are defined in the Original Indenture) were issued;

WHEREAS, the Issuer intends on the date hereof (the " Second Closing Date") to issue Class G-3 Notes and Class E-2 Notes (collectively, the "Second Issuance Notes") under (and as defined in) the Original Indenture;

WHEREAS, the Issuer intends on the Second Closing Date to (i) use a portion of the proceeds from the issuance of the Class G-3 Notes to redeem in full all of the outstanding Class G-1A Notes, Class G-2A Notes, Class C-1 Notes and Class D-1 Notes (such portion of the Class G-3 Notes shall constitute "Refinancing Notes" under the Original Indenture and such redemption shall constitute a "Refinancing" under the Original Indenture), and (ii) use the remaining portion of the proceeds from the issuance of the Class G-3 Notes, together with the issuance of the Class E-2 Notes, to finance the acquisition of ownership interests in respect of certain additional aircraft (such portion of the Class G-3 Notes, together with the Class E-2 Notes, shall constitute "Additional Notes" under the Original Indenture);

WHEREAS, immediately upon the issuance of the Second Issuance Notes as described in the above recitals, the parties hereto wish to enter into this agreement to amend and restate the Original Indenture in its entirety;

WHEREAS, each class of Notes issued on the Second Closing Date shall be entitled to all of the benefits of this Indenture; and

WHEREAS, all the conditions and requirements necessary to make this Indenture, when duly executed and delivered, a legal, valid and binding instrument in accordance with its terms and for the purposes herein expressed, have been done, performed and fulfilled, and to the execution and delivery of this Indenture in the form and with the terms hereof have been in all respects duly authorized.

NOW, THEREFORE, in consideration of the premises herein and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed among the parties that the Original Indenture shall be amended and restated in its entirety as follows:

ARTICLE I

DEFINITIONS

Section 1.01 Definitions. For purposes of this Indenture, the following terms have the meanings indicated below:

"Acceleration" means, with respect to the principal, interest and other amounts payable in respect of the Notes, such amounts becoming immediately due and payable by declaration or otherwise. "Accelerate," "Accelerated" and "Accelerating" have meanings correlative to the foregoing.

"Acceleration Default" means any Event of Default of the type described in Section 4.01(e) or 4.01(f).

"Account" means any or, in its plural form, all of the accounts established pursuant to Section 3.01(a) and any ledger accounts and ledger subaccounts maintained therein in accordance with this Indenture.

"Accrued Class G Interest" means, as of any date of determination thereof, all amounts due and owing in respect of accrued and unpaid interest on the Outstanding Principal Balance of the Class G-3 Notes (less any Policy Drawings previously paid in respect of

principal of the Class G-3 Notes) at the then Applicable Rate of Interest for the Class G-3 Notes.

"Acquisition Agreements" means the Share Purchase Agreement, the Second Share Purchase Agreement and any other agreements pursuant to which Additional Aircraft (or related Aircraft Interest) are acquired.

"Acquisition Date" means, with respect to any Aircraft Interest (and the Aircraft subject to that Aircraft Interest), the "Closing Date" as defined in the Second Share Purchase Agreement or "Closing Date" or any comparable term in any other Acquisition Agreement.

"Act" has, with respect to any Holder, the meaning given to such term in Section 1.04(a).

"Additional Aircraft" means any aircraft and any related engine acquired by any Issuer Group Member from a Seller or an Affiliate of a Seller or (upon a Rating Agency Confirmation with respect thereto) from any other Person after the Second Closing Date (other than any New Aircraft) in accordance with the provisions hereof including after obtaining the consent of the Policy Provider (unless the Policy Non-Consent Event shall have occurred) and the Initial Primary Liquidity Facility Provider (unless the Initial Primary Liquidity Facility Non-Consent Event shall have occurred), excluding any such aircraft after it has been sold or disposed of by way of a completed Aircraft Sale.

"Additional Aircraft Notes" means any Notes of any subclass of Notes (including additional subclasses) issued pursuant to this Indenture, the proceeds of which are used, in substantial part, to acquire Additional Aircraft or corresponding Aircraft Interest.

"Additional Class E Notes" means any Class E Notes issued by the Issuer under this Indenture from time to time after the Second Closing Date in accordance with Sections 2.11 and 5.02(f)(viii).

"Additional Issuance" has the meaning given to such term in Section 2.11(a).

"Additional Lease" means, with respect to each Additional Aircraft, each aircraft lease agreement, conditional sale agreement, hire purchase agreement or other similar arrangement with respect to such Additional Aircraft.

"Additional Notes" means Additional Aircraft Notes and Conversion Notes.

"Adjusted Base Value" means, with respect to any Aircraft on any Calculation Date, the average of the Base Values of such Aircraft as determined by the Appraisals of such Aircraft delivered in connection with the Relevant Appraisal with respect to such Calculation Date.

"Adjusted Portfolio Value" means, in respect of any Payment Date, the aggregate sum of the "adjusted values" for all of the Aircraft in the Portfolio on the Calculation Date preceding such Payment Date, where the "adjusted value" for each Aircraft is the product of (a) the Adjusted Base Value of such Aircraft on such Calculation Date and (b) the quotient obtained by dividing the Depreciation Factor applicable to such Aircraft on such Calculation Date by the Depreciation Factor applicable to such Aircraft as of the date of the Relevant Appraisal with respect to such Calculation Date.

"Administrative Agency Agreement" means the Administrative Agency Agreement dated as of the Initial Closing Date among the Primary Administrative Agent, the Financial Administrative Agent, the Issuer, the Issuer Subsidiaries party thereto, the Trustee and the Security Trustee, as amended by the Omnibus Agreement.

"Administrative Agent" means, collectively, the Primary Administrative Agent and the Financial Administrative Agent.

"AerCap" means AerCap Holdings N.V.

"AerCap Entity" or "AerCap Entities" has the meaning given to such term in Section 5.02(q)(i).

"AerCap Ireland" means AerCap Ireland Limited.

"Affiliate" has the meaning given to such term in Section 5.02(b).

"Agreed Currency" has the meaning given to such term in Section 12.07(a).

"Agreed Value Payment" means a payment to be made by or on behalf of a Lessee under a Lease upon or following a Total Loss of an Aircraft with respect to such Total Loss.

"Agreement Collateral" has the meaning given to such term in the Security Trust Agreement.

"Aircraft" means the Current Aircraft (or related Aircraft Interest) and the Additional Aircraft (or related Aircraft Interest).

"Aircraft Agreement" means any lease, sublease, conditional sale agreement, finance lease, hire purchase agreement or other agreement (other than an agreement relating to maintenance, modification or repairs) or any purchase option granted to a Person (other than a Purchase Option granted to an Issuer Group Member) to purchase an Aircraft, in each case pursuant to which any Person acquires or is entitled to acquire legal title to, or the economic benefits of ownership of, such Aircraft.

"Aircraft Allocation Amount" with respect to the New Aircraft means the amount for an Aircraft set forth in column IV of Exhibit A of the Second Share Purchase Agreement or, with respect to any

Additional Aircraft, the meaning given to that or any comparable term in the Acquisition Agreement pursuant to which such Aircraft is acquired by an Issuer Group Member. Any Remaining New Aircraft Allocation Amount will be an Aircraft Allocation Amount.

"Aircraft Conversion" has the meaning given to such term in Section 5.02(i).

"Aircraft Conversion Account" has the meaning given to such term in Section 3.01(a).

"Aircraft Interest" means the Ownership Interest in (a) any Person, including without limitation a trust, that owns an aircraft or (b) the Person that holds, directly or indirectly, the interest referred to in clause (a) above. The acquisition or disposition of all of the Aircraft Interest with respect to an Aircraft constitutes, respectively, the acquisition or disposition of that Aircraft.

"Aircraft Purchase Account" has the meaning given to such term in Section 3.01(a).

"Aircraft Purchase Price" with respect to any New Aircraft means the "Purchase Price" (under and as defined in Section 2.2 of the Second Share Purchase Agreement) for the Company owning such New Aircraft or, with respect to any Additional Aircraft, the meaning given to that or any comparable term in the Acquisition Agreement pursuant to which such Aircraft is acquired by an Issuer Group Member.

"Aircraft Sale" means any sale or other disposition of any Aircraft, including by reason of such Aircraft suffering a Total Loss.

"Allowed Restructuring" has the meaning given to such term in Section 5.02(e).

"Annual Report" has the meaning given to such term in Section 2.15(a).

"Annual Review" has the meaning given to such term in Section 5.03(f)(iii).

"Applicable Aviation Authority" means, in relation to any Aircraft, each governmental or regulatory authority that has responsibility for the supervision of civil aviation and/or the registration and operations of civil aircraft in the State of Registration of such Aircraft.

"Applicable Law" means, with respect to any Person, all laws, rules, regulations and orders of governmental or regulatory authorities applicable to such Person, including, without limitation, the regulations of each Applicable Aviation Authority applicable to such Person or the Aircraft owned or operated by it or as to which it has a contractual responsibility.

"Applicable Procedures" means, with respect to any transfer or exchange of Book-Entry Interests, the rules and procedures of the Depositary, the Securities Depository, Euroclear or Clearstream and any of their Participants and Indirect Participants that apply to such transfer or exchange.

"Applicable Rate of Interest" means, with respect to each subclass of Notes, as of any date of determination thereof, the interest rate set forth in or determined in accordance with the terms of such subclass of Notes.

"Applicable Regulations" has the meaning given to such term in Section 12.13.

"Appraisal" means a desktop appraisal of the Base Value of an Aircraft made pursuant to Section 5.03(c).

"Appraiser" has the meaning set forth in Section 5.03(c).

"Assumed Portfolio Value" means, in respect of any Payment Date, the aggregate sum of the "assumed values" for all of the Aircraft in the Portfolio on the Calculation Date preceding such Payment Date, where the "assumed value" for each Aircraft is the product of (a) the Initial Appraised Value of such Aircraft on such Calculation Date and (b) the quotient obtained by dividing the Depreciation Factor applicable to such Aircraft on such Calculation Date by the Depreciation Factor applicable to such Aircraft on the Closing Date on which Notes were issued to finance the acquisition of such Aircraft.

"Authorized Agent" means, with respect to the Notes of any subclass, any authorized Paying Agent or Registrar for the Notes of such subclass.

"Available Amount" means, with respect to the Initial Primary Liquidity Facility, at any date of determination, subject to the proviso contained in the first sentence of Section 3.14(g), an amount equal to (a) the Maximum Commitment at such time, less (b) the aggregate amount of each LF Drawing under the Initial Primary Liquidity Facility outstanding at such time; *provided* that, following a Downgrade Drawing, a Non-Extension Drawing or a Final Drawing under the Initial Primary Liquidity Facility, the Available Amount shall be zero.

"Available Collections" means, as of the close of business on any Calculation Date, amounts on deposit in the Collections Account. The Available Collections with respect to any payment to be made therefrom shall be determined after giving effect to all payments, if any, having priority to such payment under Section 3.09.

"Avoidance Drawing" has the meaning given to such term in Section 3.15(e).

"Avoided Payment" means any amount paid or required to be paid in respect of the Class G-3 Notes to a holder of the Class G-3 Notes which is voided under any applicable bankruptcy, insolvency, receivership or similar law in an insolvency proceeding by or against the Issuer, any Issuer Subsidiary, the Initial Primary Liquidity Facility Provider or any other provider of an Eligible Credit Facility and, as a result of such an avoidance event, the Trustee or any holder of the Class G-3 Notes is required to return all or any portion of such Avoided Payment made or to be made in respect of the Class G-3 Notes (including any disgorgement from the holders of the Class G-3 Notes resulting from any insolvency proceeding, whether such disgorgement is determined on a theory of preferential conveyance or otherwise).

"Base Value" means the value of an Aircraft in an open, unrestricted, stable market environment with a reasonable balance of supply and demand, and with full consideration of the Aircraft's "highest and best use", presuming an arm's-length, cash transaction between willing, able and knowledgeable parties, acting prudently, with an absence of duress and with a reasonable period of time available for marketing, adjusted to account for the maintenance status of such Aircraft (with such assumptions as to use since the last reported status as may be reasonably stated in the Appraisal setting forth such Base Value).

"Basic Terms Modification" has the meaning given to such term in Section 9.01.

"Board" means the board of Directors of the Issuer.

"Board Resolution" means a copy of a resolution certified as having been duly adopted by the Board of the Issuer and being in full force and effect on the date of such certification.

"Book-Entry Interest" means an indirect beneficial interest in a Global Note held through a corresponding Depositary Interest and shown on, and transferred only through, records maintained in book-entry form by the Securities Depository (with respect to the Participants) and its Participants. References to Book-Entry Interests in a Global Note should be understood to mean Book-Entry Interests in the Depositary Interest issued with respect to such Global Note.

"Business Day" means (i) a day on which commercial banks and foreign exchange markets are open in New York, New York, and, with respect to the determination or payment of interest on any Floating Rate Note, a day on which U.S. dollar deposits may be dealt in on the London inter-bank market and, with respect to payments to or withdrawals from the Non-Trustee Accounts, a day on which the financial institution at which such account is located is open for business or (ii) solely with respect to drawings under the Policy, any date other than a day on which (a) the fiscal agent under such Policy, at its office specified in the Policy, (b) the Policy Provider, at its office specified in such Policy, (c) commercial banking institutions in the cities in which the corporate trust office of the Trustee or (d) insurance companies in New York, New York are, in any such case, required or authorized by law or executive order to close.

"Calculation Date" means the fifth Business Day immediately preceding a Payment Date.

"Cape Town Convention" means the Convention on International Interests in Mobile Equipment and its Protocol on Matters Specific to Aircraft Equipment, concluded in Cape Town on 16 November 2001.

"Cash Collateral Account" means the Primary Liquidity Reserve Account (if established) and each account related to an Eligible Credit Facility established as an Account pursuant to Section 3.01(m). The Issuer shall not be deemed a provider of an Eligible Credit Facility with respect to any Cash Collateral Account.

"Cash Management Agreement" means the Cash Management Agreement dated as of the Initial Closing Date among the Cash Manager, the Trustee, the Security Trustee, the Issuer and the Issuer Subsidiaries party thereto, as amended by the Omnibus Agreement.

"Cash Manager" means the Person acting, at the time of determination, in the capacity of the cash manager under the Cash Management Agreement. The initial Cash Manager is Deutsche Bank Trust Company Americas.

"Certain Interest on Unpaid Interest" means interest on accrued and unpaid interest on the Class G Notes, including, without limitation, any interest accrued and unpaid which accrues after the date on which such accrued and unpaid interest is paid by the Policy Provider under the Policy, but excluding interest on interest in respect of which the Policy Provider fails to make a payment under the Policy in accordance with the terms of the Policy after a timely draw thereunder by the Trustee.

"Charitable Trust" means the charitable trust established under the laws of Jersey, Channel Islands to beneficially own 95.1% of the issued shares of the Issuer.

"Charitable Trustee" means the trustee of the Charitable Trust.

"Class E Note Representative" means the representative of the Holders of the Class E Notes selected by Holders of a majority of the Outstanding Principal Balance of the Class E Notes, initially AerCap Ireland.

"Class E Notes" means, collectively, all Notes designated as a subclass of Class E, including the Class E-1 Notes issued prior to the Second Closing Date and the Second Issuance Notes so designated (consisting of the Class E-2 Notes issued as of and after the Second Closing Date), all Additional Notes, if any, so designated, and all Notes, if any, issued in replacement or substitution therefor.

"Class E-1 Notes" means the Initial Notes that are designated Class E-1 Notes with an initial Outstanding Principal Balance of $439,596,667, and all Notes, if any, issued in replacement or substitution therefor.

"Class E-2 Notes" means the Second Issuance Notes that are designated Class E-2 Notes with an initial Outstanding Principal Balance not to exceed $11,734,778, and all Notes, if any, issued in replacement or substitution therefor.

"Class G Cash Collateral Event" has the meaning given to such term in Section 3.01(m).

"Class G Note Target Price" means, as of any date of determination thereof and with respect to any Aircraft, an amount equal to the product of the Designated Percentage with respect to such Aircraft and the then (determined after the intended application of Available Collections (but without taking into account any Net Sale Proceeds from the sale or disposition of such Aircraft) as of the next succeeding Payment Date) aggregate Outstanding Principal Balance of the Class G Notes (less any Policy Drawings previously paid in respect of principal of the Class G Notes).

"Class G Notes" means, collectively, all Notes designated as a subclass of Class G, including the Second Issuance Notes so designated (consisting of Class G-3 Notes issued as of the Second Closing Date), all Additional Notes, if any, so designated, all Refinancing Notes, if any, so designated and all Notes, if any, issued in replacement or substitution therefor.

"Class G-3 Notes" means, collectively, the Second Issuance Notes that are designated Class G-3 Notes with an initial Outstanding Principal Balance not to exceed $1,660,000,000, and all Notes, if any, issued in replacement or substitution therefor.

"Clearstream" means Clearstream Banking, société anonyme, Luxembourg.

"Closing Date" means in the case of (a) the Initial Notes and the Initial Aircraft, the Initial Closing Date or, in the case of Initial Notes issued after the Initial Closing Date and prior to the Second Closing Date, the applicable date of issuance of such Notes, (b) the Second Issuance Notes and the New Aircraft, the Second Closing Date or, in the case of Second Issuance Notes issued in connection with a delivery of Remaining New Aircraft (other than the Second Issuance Notes), the applicable date of issuance of such Notes (c) any Refinancing Notes or Additional Notes, the relevant date of issuance of such Securities and (d) any Additional Aircraft or Aircraft Conversion, the date of issuance of the Additional Notes issued to finance the acquisition of such Additional Aircraft or such Aircraft Conversion.

"Code" means the Internal Revenue Code of 1986 as amended.

"Collateral" has the meaning given to such term in the Security Trust Agreement.

"Collections" means without duplication (a) Rental Payments and all other amounts received by any Issuer Group Member pursuant to any Lease or Related Collateral Document, (b) amounts transferred from any Cash Collateral Account to the Collections Account pursuant to Section 3.01(m), (c) amounts received in respect of claims for damages or in respect of any breach of contract for nonpayment of any of

the foregoing, (d) amounts received by an Issuer Group Member in connection with any Aircraft Sale or otherwise received under any Aircraft Agreement, including sale proceeds, Total Loss Proceeds, Agreed Value Payments, proceeds of Repossession Insurance, Requisition Compensation and all Partial Loss Proceeds, less, in each case, any expenses payable by such Issuer Group Member to any Person that is not an Issuer Group Member in connection therewith, (e) amounts received by any Issuer Group Member from insurance with respect to any Aircraft, (f) any amounts transferred from a Lessee Funded Account into the Collections Account in accordance with Section 3.08, (g) any Hedge Receipts, (h) the proceeds of any Investments of the funds in the Accounts (except (i) to the extent that any such proceeds are required to be paid over to any Lessee under a Lease or (ii) the proceeds of any Investments of the funds in the Aircraft Purchase Accounts and the Initial Primary Liquidity Reserve Account), (i) any amounts transferred from any Aircraft Purchase Account into the Collections Account in accordance with Section 3.05(c), (j) any amounts transferred from the Aircraft Conversion Account into the Collections Account in accordance with Section 3.08(f), (k) any amounts received by an Issuer Group Member under an Acquisition Agreement, and (l) any other amounts received by any Issuer Group Member (including any amounts received from any other Issuer Group Member, whether by way of distribution, dividend, repayment of a loan or otherwise, and any proceeds received in connection with any Allowed Restructuring); *provided* that Collections shall not include (i) payments under the Policy, (ii) Segregated Funds transferred to a Lessee Funded Account, (iii) amounts deposited in the Defeasance/Redemption Account or the Refinancing Account in connection with a Redemption (except any amounts that are amounts under clauses (a) through (l) above), (iv) amounts received in connection with a Refinancing, (v) except as provided above with respect to any amounts transferred therefrom to the Collections Account, amounts in any Cash Collateral Account, any Aircraft Purchase Account and the Aircraft Conversion Account, (vi) amounts not payable to an Issuer Group Member, expenses incurred in connection with the receipt of any Collections or amounts otherwise not to be included as Collections pursuant to any Related Document and (vii) payments under the Initial Primary Liquidity Facility, in each case

subject to the restrictions set forth in this Indenture.

"Collections Account" has the meaning given to such term in Section 3.01(a).

"Commission" means the U.S. Securities and Exchange Commission.

"Company" has the meaning given to such term in the Share Purchase Agreement and the Second Share Purchase Agreement, as applicable.

"Concentration Default" means an Event of Default under Section 4.01(d) as a result of a breach of the agreements under Section 5.03(a) which would arise if effect were given to any sale, transfer or other disposition or any purchase or other acquisition pursuant to an Aircraft Agreement as of the date of such Aircraft Agreement regardless of whether such sale, transfer or other disposition or purchase or other acquisition is scheduled or expected to occur after the date of such Aircraft Agreement.

"Concentration Limits" has the meaning given to such term in Section 5.03(a).

"Control" has the meaning given to such term in Section 5.02(b). "Controlled" and "Controlling" have meanings correlative to the foregoing.

"Controlling Party" means, at any time of determination, the Policy Provider until such time as the Class G-3 Notes and the Policy Provider Obligations have been repaid in full except that if a Policy Provider Default has occurred and is continuing, the Controlling Party shall be the Senior Trustee; *provided* that in the case of the Initial Primary Liquidity Facility Provider or, for any other Eligible Credit Facility, if and only if so provided in the Board Resolution providing for such Eligible Credit Facility, at any time from and including the date that is no earlier than 30 months from the earliest to occur of (a) the

date on which the entire amount available under such Eligible Credit Facility (other than any Eligible Credit Facility in the form of a Cash Collateral Account) shall have been drawn (except as a result of (i) a Downgrade Drawing or (ii) a Non-Extension Drawing, in each case not applied to pay any Required Expenses Shortfalls, Senior Hedge Payments Shortfalls or Liquidity Facility Interest Class G Shortfalls) and remain unreimbursed and (b) the date on which the Notes shall have been Accelerated, the provider of such Eligible Credit Facility shall have the right to elect, by Written Notice to the Trustee and the Policy Provider, to become the Controlling Party (in place of the Policy Provider or the Senior Trustee, as applicable) thereafter (subject to the next succeeding proviso) but only for so long as any Credit Facility Obligations due to such provider remain unpaid; *provided further*, that if, notwithstanding the foregoing, within 15 Business Days after its receipt of any such Written Notice from such provider of such Eligible Credit Facility (which notice may be given on or after the fifteenth Business Day prior to the end of such 30-month Period) the Policy Provider pays to such provider of such Eligible Credit Facility all outstanding Credit Facility Obligations owing to such provider of such Eligible Credit Facility in respect of its Eligible Credit Facility, and interest accrued thereon to such date, the Policy Provider (if it otherwise would have been the Controlling Party) shall remain the Controlling Party so long as no Policy Provider Default has occurred and is continuing; and if a Policy Provider Default has occurred and is continuing, the provider of such Eligible Credit Facility, if it so elects and if Credit Facility Obligations owing to it remain outstanding, shall become the Controlling Party. At any time after such 30-month period, if a Policy Provider Default has occurred and is continuing and the provider of such Eligible Credit Facility does not elect to be the Controlling Party or if no Credit Facility Obligations remain outstanding, then the Senior Trustee shall continue to be the Controlling Party.

"Conversion Agreement" means an aircraft modification agreement which provides for an Aircraft to undergo an Aircraft Conversion.

"Conversion Notes" means any Notes of any subclass (including additional subclasses) of the Class G Notes and Class E Notes issued pursuant to this Indenture, the proceeds of which are used, in substantial part, to make any Conversion Payments.

"Conversion Payment" has the meaning given to such term in Section 5.02(i).

"Core Lease Provisions" means the core lease provisions of the Issuer set forth in Exhibit G of this Indenture, as such provisions may be amended from time to time in accordance with the terms hereof.

"Corporate Obligations" has the meaning given to such term in Section 11.02.

"Corporate Trust Office" means, with respect to the Trustee for each subclass of Notes, the office of such Trustee at which at any particular time its corporate trust business shall be principally administered. The initial Corporate Trust Office is 60 Wall Street, New York, New York 10005, Attention: Trust and Securities Services/Structured Finance Services.

"Costs" means liabilities, obligations, damages, judgments, settlements, penalties, claims, actions, suits, costs, expenses and disbursements (including, without limitation, reasonable fees and disbursements of legal counsel and costs of investigation).

"Covenant Defeasance" has the meaning given to such term in Section 11.01(b).

"Credit Facility Advance Obligations" means all Credit Facility Obligations other than Credit Facility Expenses and Special Indemnity Payments.

"Credit Facility Expenses" means all Credit Facility Obligations other than (i) the principal amounts under, or the principal amount of any drawings under, the Eligible Credit Facilities, (ii) interest accrued on Credit Facility Obligations and (iii) any portion constituting Special Indemnity Payments.

"Credit Facility Obligations" means all principal, interest, fees, expenses, indemnities, costs and other amounts owing to or incurred by the providers of Eligible Credit Facilities.

"Current Aircraft" means, collectively, the Initial Aircraft and the New Aircraft.

"Current Leases" means, collectively, the Initial Leases and the New Leases.

"Default" means a condition, event or act that, with the giving of notice or the lapse of time or both, would constitute an Event of Default.

"Default Notice" means a notice given pursuant to Section 4.02, declaring all Outstanding principal of and accrued and unpaid interest on the Notes to be immediately due and payable.

"Defeasance/Redemption Account" has the meaning given to such term in Section 3.01(a).

"Deficiency Class G Shortfall" has the meaning given to such term in Section 3.07(h)(ii).

"Deficiency Drawing" has the meaning given to such term in Section 3.15(b).

"Definitive Interest" means an indirect beneficial interest in an IAI Global Note held through a Certificated Depositary Interest (as defined in the Deposit Agreement), and transferred only through records maintained by the Depositary.

"Definitive Notes" has the meaning given to such term in Section 2.07(a).

"Delivered Aircraft" has the meaning given to such term in the Second Share Purchase Agreement.

"Delivered Company" has the meaning given to such term in the Second Share Purchase Agreement.

"Delivery Date" means, with respect to any New Aircraft, the date the shares in a Delivered Company have been transferred by the relevant Seller(s) to the Issuer or the meaning given to that or any comparable term in any other Acquisition Agreement.

"Delivery Expiry Date" means, as to the New Aircraft, February 2, 2008 or, as to any Additional Aircraft, has the meaning given to that or any comparable term in any other Acquisition Agreement.

"Deposit Agreement" means the Amended and Restated Deposit and Custody Agreement, dated as of May 8, 2007, among the Issuer, and Deutsche Bank Trust Company Americas, as Depositary with respect to the Global Notes, and the Custodian therefor, as amended and restated from time to time in accordance with its terms.

"Depositary" means Deutsche Bank Trust Company Americas in its capacity as depositary pursuant to the terms of the Deposit Agreement, including its successors in interest and permitted assigns.

"Depositary Interest" means a certificateless depositary interest or a certificated depository interest created under the Deposit Agreement representing a 100% beneficial interest in a Global Note.

"Depreciation Factor" means (a) with respect to each Current Aircraft on any date of determination, if positive, the product of (1 - (kn)) and $(1+g)^{n/(12)}$, where "n" equals the age of such Aircraft in months from the date of its manufacture, "g" equals 0.025, "k" equals a fraction, the numerator of which is (1-R), where R (i) in the case of any A300C4–600RF Aircraft is 0.1, (ii) in the case of any B737-300, B737-400, B737-500 and B757-200 Aircraft is 0.12, (iii) in the case of any A330-200, A330-300, A340-300 and B767-300ER Aircraft is 0.15 and (iv) in the case of any A319-100, A320-200, A321-200, B737-700 and B737-800 Aircraft is 0.2 and the denominator of which is the Expected Useful Life of such Current Aircraft expressed in months; *provided* that in the event such Aircraft undergoes an Aircraft Conversion, the Depreciation Factor for such Aircraft shall be the factor determined by the Board (subject to the consent of the Policy Provider) and (b) with respect to each Additional Aircraft, the Depreciation Factor shall be determined by the Board (subject to the consent of the Policy Provider) in connection with the issuance of the Additional Notes funding the acquisition of such Additional Aircraft.

"Designated Percentage" means, as of any date of determination thereof and with respect to any Aircraft, the percentage obtained by dividing the then most recent Adjusted Base Value of such Aircraft by the then most recent Adjusted Portfolio Value.

"Developed Markets" has the meaning determined, from time to time, in accordance with Exhibit C.

"Direction" has the meaning given to such term in Section 1.04(c).

"Director" means a member of board of directors of the Issuer.

"Downgrade Drawing" has the meaning assigned to such term in Section 3.14(c).

"Downgrade Event" has the meaning assigned to such term in the Initial Primary Liquidity Facility.

"DTC" means the Securities Depository.

"Dutch Security Agreement" has the meaning assigned to such term in the Security Trust Agreement.

"Dutch Security Documents" means the Dutch Deed of Share Pledge (Holding) and the Dutch Deed of Share Pledge (Subsidiaries) as such terms are defined in the Dutch Security Agreement.

"Eligibility Requirements" has the meaning given to such term in Section 2.03(b).

"Eligible Account" means (a) a segregated trust account maintained on the books and records of an Eligible Institution in the name of the Security Trustee as a Securities Account under, and as defined in, the Security Trust Agreement (except with respect to the Irish VAT Refund Account, which shall not be a Securities Account); *provided* that no Cash Collateral Account may be maintained with a liquidity provider at any time at which the Issuer holds any participation in the liquidity facility unless written confirmation shall have been received from each Rating Agency prior to such time to the effect that such maintenance of the Cash Collateral Account with the liquidity provider will not result in a withdrawal or downgrading of the ratings of the Notes or (b) an account maintained on the books and records of an Eligible Institution (so long as such Eligible Institution has a long-term unsecured debt rating of at least AA- by Standard & Poor's and Aa3 by Moody's) in the name of an Issuer Group Member as a Non-Trustee Account in compliance with the terms of the Security Trust Agreement.

"Eligible Credit Facility" means (a) the Initial Primary Liquidity Facility provided by the Initial Primary Liquidity Facility Provider, (b) any credit agreement, letter of credit, guarantee, credit or liquidity enhancement facility, term loan facility or other credit facility provided by, or supported by a further such credit facility provided by, an Eligible Provider in favor of any Issuer Group Member and subjected to the lien of the Security Trust Agreement and designated by the Board as an Eligible Credit Facility and (c) any Eligible Account established for the purpose of providing like credit or liquidity support and designated by the Board as an Eligible Credit Facility; *provided* that the provider of an Eligible Credit Facility shall agree therein that it is entitled only to the priority of repayment accorded to Eligible Credit Facilities under Section 3.09.

"Eligible Institution" means (a) Deutsche Bank Trust Company Americas in its capacity as the Operating Bank and as Trustee in respect of any Eligible Account, so long as it (i) has either (A) a long-term unsecured debt rating of A (or the equivalent) or better by each Rating Agency (in the case of Fitch, to the extent rated by such Rating Agency) or (B) a short-term unsecured debt rating of A-1 by Standard & Poor's, P-1 by Moody's and, if rated by Fitch, F1 by Fitch and (ii) can act as a securities intermediary under the New York Uniform Commercial Code; (b) any Irish Bank in respect of the Irish VAT Refund Account, so long as it has either (i) a long-term unsecured debt rating of A (or the equivalent) or better by each Rating Agency (in the case of Fitch, to the extent rated by such Rating Agency) or (ii) a short-term unsecured debt rating of A-1 by Standard & Poor's, P-1 by Moody's and, if rated by Fitch, F1 by Fitch and (c) any bank organized under the laws of the United States of America or any state thereof, or the District of Columbia (or any branch of a foreign bank licensed under any such laws) appointed as the Operating Bank in respect of any Eligible Account, so long as it (i) has either (A) a long-term unsecured debt rating of AA (or the equivalent) or better by each Rating Agency (in the case of Fitch, to the extent rated by such Rating Agency) or (B) a short-term unsecured debt rating of A-l by Standard & Poor's, P-1 by Moody's and, if rated by Fitch, F1 by Fitch and (ii) can act as a securities intermediary under the New York Uniform Commercial Code, including a Person providing an Eligible Credit Facility so long as such Person shall otherwise so qualify and shall have waived all rights of set-off and counterclaim with respect to the account to be maintained as an Eligible Account.

"Eligible Provider" means a Person (other than any Issuer Group Member) who meets the Threshold Rating or is otherwise designated as an Eligible Provider by the Board subject to a Rating Agency Confirmation and the prior written consent of the Policy Provider.

"Encumbrance" has the meaning given to such term in Section 5.02(b).

"Engine" means each engine installed (or constituting a spare for an engine installed) on any Aircraft, including any engine replacing a previously installed engine under the relevant Lease, and any and all Parts incorporated in, installed on or attached to any such engine.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"Euroclear" means Euroclear Bank, S.A./N.V., as operator of the Euroclear System.

"Event of Default" has the meaning, with respect to a subclass of Notes, given to such term in Section 4.01.

"Exchange Act" means the U.S. Securities Exchange Act of 1934, as amended.

"Expected Final Payment Date" means with respect to (a) the Class G-3 Notes, August 5, 2016 (as the same may be adjusted in

accordance with Section 3.12) and (b) any Refinancing Notes or

Additional Notes, the Expected Final Payment Date, if any, established by or pursuant to a Board Resolution or in any indenture supplemental hereto providing for the issuance of such Notes or specified in the form of such Notes.

"Expected Target Principal Balance" means, with respect to (a) the Class G-3 Notes on any Payment Date, the amount set forth in Schedule 3 hereof (as the same may be adjusted in accordance with Section 3.12), and (b) any Refinancing Notes or Additional Notes, the amount set forth in a schedule established by or pursuant to a Board Resolution or in any indenture supplemental hereto providing for the issuance of such Notes or specified in the form of such Notes.

"Expected Useful Life" means, with respect to each Current Aircraft, 25 years from the date of manufacture (or, in the case of converted freighter aircraft, 15 years from the date of completion of the conversion to freighter configuration, or, in the case of Aircraft with manufacturer's serial number 755 and manufacturer's serial number 758, 30 years from the date of manufacture) and, with respect to any Additional Aircraft or an Aircraft subject to an Aircraft Conversion, the "Useful Life" established by or pursuant to a Board Resolution or in any indenture supplemental hereto providing for the issuance of Additional Notes to fund the acquisition of such Additional Aircraft or Aircraft Conversion.

"Expense Account" has the meaning given to such term in Section 3.01(a).

"Expenses" means, collectively, any fees, costs or expenses Incurred by an Issuer Group Member in the course of the business activities permitted under Section 5.02(e), including, without limitation, (i) any fees, expenses and indemnification amounts (including, without limitation, any and all claims, expenses, obligations, liabilities, losses, damages and penalties) of, or owing to, the Trustee, the Directors, the Security Trustee, the Operating Bank, the Cash Manager, the Depositary, the Note Custodian, any Authorized Agent, the Charitable Trustee and any other Service Provider; *provided*, that, such indemnification amounts shall not exceed $25 million in the aggregate; *provided*, *further*, that the foregoing limitation shall not apply following the delivery of a Default Notice or during the continuance of an Acceleration Default, (ii) any premiums on the liability insurance required to be maintained for the benefit of the Directors, (iii) all Taxes payable by the Issuer Group Members by reason of the business activities permitted under Section 5.02(e) and the other activities described in and permitted under the Related Documents, (iv) any Credit Facility Expenses, (v) any Policy Expenses, (vi) any payment obligation (including, without limitation, any indemnity payments) or other amount payable by any Issuer Group Member to any Lessee pursuant to a Lease and (vii) subject to a limit of 1.0% of the average monthly head lease rent with respect to the relevant Aircraft (or other amount approved by a Board Resolution with a Rating Agency Confirmation and the prior written consent of the Policy Provider with respect thereto) with respect to each Issuer Subsidiary entitled thereto, the shortfall between Rental Payments received by or on behalf of such Issuer Subsidiary in respect of a Lease of such Aircraft and the amount payable by such Issuer Subsidiary, as head lease rent with respect to such Aircraft, to another Issuer Group Member that is the owner of such Issuer Subsidiary; *provided*, *however*, that, except as expressly provided herein, Expenses shall not include (i) any amount payable on the Securities or under any Hedge Agreement, any Policy Premium or Policy Redemption Premium or any interest accrued on any Policy Premium or Policy Redemption Premium, any Special Indemnity Payment or any Credit Facility Advance Obligations or (ii) to the extent there would otherwise be a deduction for an Expense of an amount already deducted in the determination of "Collections", any expense referred to in clause (d) of the definition of "Collections".

"Final Drawing" has the meaning assigned to such term in Section 3.14(i).

"Final Maturity Date" means with respect to (a) the Second Issuance Notes, May 10, 2032 and (b) any Refinancing Notes or Additional Notes, the date specified in the form of such Notes.

"Final Order" means in respect of an Avoided Payment, a final, nonappealable order of a court exercising jurisdiction in an insolvency proceeding by or against the Issuer, any Issuer Group Member, the Initial Primary Liquidity Facility Provider or any other provider of an Eligible Credit Facility.

"Final Policy Election" has the meaning given to such term in Section 3.15(c).

"Financial Administrative Agent" means, with respect to any date of determination, the Person acting, at such time, in the capacity of the financial administrative agent of the Issuer Group Members under the Administrative Agency Agreement. The initial Financial Administrative Agent is AerCap Cash Manager II Limited.

"Fitch" means Fitch, Inc.

"Fixed Rate Notes" means the Class E-1 Notes and the Class E-2 Notes and any Refinancing Notes or Additional Notes issued with a fixed rate of interest.

"Floating Rate Notes" means the Class G-3 Notes and any Refinancing Notes or Additional Notes issued with a floating or variable rate of interest.

"Future Lease" means, with respect to each Aircraft, any aircraft lease agreement as may be in effect at any time after the Closing

Date on which Notes were issued to finance the acquisition of such Aircraft between an Issuer Group Member (as lessor) and a Person not an Issuer Group Member (as lessee), in each case other than any Current Lease or Additional Lease; *provided* that if, under any sub-leasing arrangement with respect to an Aircraft, the lessor thereof agrees to receive payments or collateral directly from, or is to make payments directly to, the sub-lessee, in any such case to the exclusion of the related Lessee, then the relevant sub-lease shall constitute the "Lease", and the sub-lessee shall constitute the related "Lessee" with respect to such Aircraft, but only to the extent of the provisions of such sub-lease agreement relevant to such payments and collateral and to the extent agreed by the relevant lessor.

"GAAP" means generally accepted accounting principles in the jurisdiction as specified by the Board.

"Global Notes" means any Rule 144A Global Notes, Regulation S Global Notes and IAI Global Notes, as applicable.

"Guarantee" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness or other obligation of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation of such other Person or (ii) entered into for purposes of assuring in any other manner the obligee of such Indebtedness or other obligation of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part); *provided* that the term "Guarantee" shall not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" when used as a verb has a corresponding meaning.

"Hedge Agreement" means any interest rate or currency swap, cap, floor, Swaption, or other interest rate or currency hedging agreement between the Issuer and any Hedge Provider existing on the Second Closing Date (including the New Hedge Agreements) or entered into in accordance with Section 5.02(e)(iv).

"Hedge Breakage Costs" means any amounts payable by any Issuer Group Member to a Hedge Provider as a result of any early termination (however described or defined therein) of any Hedge Agreement.

"Hedge Provider" means the counterparty to any Issuer Group Member under any Hedge Agreement.

"Hedge Receipt" means a net payment to be made by a Hedge Provider (if any) into the Collections Account under a Hedge Agreement and includes any termination payment received from any counterparty to a Hedge Agreement.

"Holder" or "Noteholder" means (a) in the case of any Global Note, the bearer thereof, which shall initially be the Depositary and (b) in the case of any Definitive Note, the Person in whose name such Note is registered from time to time.

"IAI Global Note" shall have the meaning ascribed to such term in Section 2.01(b).

"Incur" has the meaning given to such term in Section 5.02(f).

"Indebtedness" means, with respect to any Person at any date of determination (without duplication), (a) all indebtedness of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (c) all obligations of such Person in respect of letters of credit or other similar instruments (including reimbursement obligations with respect thereto), (d) all the obligations of such Person to pay the deferred and unpaid purchase price of property or services, which purchase price is due more than six months after the date of purchasing such property or service or taking delivery and title thereto or the completion of such services, and payment deferrals arranged primarily as a method of raising finance or financing the acquisition of such property or service, (e) all obligations of such Person under a lease of (or other agreement conveying the right to use) any property (whether real, personal or mixed) that is required to be classified and accounted for as a capital lease obligation under generally accepted accounting principles in the U.S., (f) all Indebtedness of other Persons secured by a lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person, and (g) all Indebtedness of other Persons Guaranteed by such Person.

"Indenture" has the meaning given to such term in the preamble hereof.

"Independent Director" means a Person that is not at the time of its appointment or at any time when such Person is serving as an Independent Director and has not been for the five years prior to its appointment as an Independent Director (i) an employee, officer or director, or the beneficial holder (directly or indirectly) of more than 5% of any Ownership Interest, of AerCap Ireland, any Holder of the Class E Notes or any Affiliate of any such Person, or (ii) a spouse of, or Person related to (but not more remote than first cousins), a Person referred to at (i) above.

"Indirect Participant" means a Person who holds an interest through a Participant.

"Initial Aircraft" means each of the aircraft identified in Schedule 1A hereto (including any related Engines and Parts), excluding any such aircraft (or related Aircraft Interest) sold or disposed of (directly or indirectly) by way of a completed Aircraft Sale.

"Initial Appraised Value" means (a) in the case of each Current Aircraft (other than a Substitute Aircraft), the average of the appraisals by each of the Initial Appraisers of the Base Value of such Aircraft as of March 31, 2007, (b) in the case of any Substitute Aircraft, the average of the appraisals by each of

the Initial Appraisers of the Base Value of such Aircraft as of a date not more than six months prior to the date of the acquisition of such Aircraft and (c) in the case of any Additional Aircraft, the average of the appraisals by each of the Appraisers of the Base Value of such Aircraft as of a date not more than six months prior to the Closing Date for the issuance of the relevant Additional Notes.

"Initial Appraisers" means Aircraft Information Services, Inc., Ascend, a division of Airclaims Limited, and BK Associates, Inc.

"Initial Class E Notes" means the Class E-1 Notes issued prior to the Second Closing Date.

"Initial Class G Notes" mean the Class G Notes issued prior to the Second Closing Date.

"Initial Closing Date" means September 15, 2005.

"Initial Expenses" means Expenses related to the issuance of the Second Issuance Notes (including costs and expenses incurred in connection with the refinancing of the Initial Notes (other than the Class E-1 Notes) on the Second Closing Date) and the acquisition of the New Aircraft other than Expenses related to the acquisition of the Remaining New Aircraft incurred after the Second Closing Date.

"Initial Lease" means, with respect to each Initial Aircraft, each aircraft lease agreement, conditional sale agreement, hire purchase agreement or other similar arrangement with respect to such Initial Aircraft in existence at the Second Closing Date.

"Initial Notes" means the Initial Class G Notes, the Initial Class E Notes and the other Notes issued prior to the Second Closing Date pursuant to the Original Indenture.

"Initial Outstanding Balance" means, with respect to any subclass of Notes, the initial Outstanding Principal Balance thereof on the date of issuance of such Notes.

"Initial Primary Liquidity Facility" means the Revolving Credit Agreement dated as of the Second Closing Date among the Initial Primary Liquidity Facility Provider, the Issuer and the Cash Manager, as amended from time to time in accordance with its terms and as replaced and so designated pursuant to Section 3.14(e)(iii).

"Initial Primary Liquidity Facility Non-Consent Event" means the occurrence of (i) the payment of the Class G Notes in full (other than any Refinancing Notes that are Class G Notes so long as the Class G Notes covered by the Initial Primary Liquidity Facility have been paid in full with the proceeds of the issuance of such Refinancing Notes, such Refinancing Notes are not covered by the Initial Primary Liquidity Facility and the Initial Primary Liquidity Facility has been terminated in connection with such Refinancing), (ii) the termination of the Initial Primary Liquidity Facility, and (iii) the payment of all Credit Facility Obligations owed to the Initial Primary Liquidity Facility Provider in full.

"Initial Primary Liquidity Facility Provider" means Calyon.

"Initial Primary Liquidity Payment Account" has the meaning given to such term in Section 3.01(a).

"Initial Primary Liquidity Reserve Account" has the meaning given to such term in Section 3.01(a).

"Initial Purchasers" means UBS Securities LLC, UBS Limited and Calyon Securities (USA) Inc.

"Insolvency Proceeding" means any proceeding of the type referred to in clause (e) or (f) of Section 4.01 in respect of the Issuer.

"Institutional Accredited Investor" means an institution that is an "accredited investor" as that term is defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act.

"Insurance Servicer" means the Person acting, at the time of determination, in the capacity as insurance servicing agent under the Servicing Agreement. The initial Insurance Servicer is AerCap Cash Manager II Limited.

"Insured Minimum Principal Payment Amount" means, with respect to the Payment Date following each Calculation Date occurring on or after 24 months after the date of an Event of Default under Section 4.01(a) or 4.01(b) that is continuing or an Acceleration of the Notes, the excess, if any, of (a) the Outstanding Principal Balance of the Class G-3 Notes as of such Payment Date (less any Policy Drawings previously paid in respect of principal of the Class G-3 Notes) over (b) the Expected Target Principal Balance of the Class G-3 Notes on the Payment Date that preceded such Payment Date by 24 months.

"Intercompany Loan" has the meaning given to such term in Section 5.02(f).

"Interest Accrual Period" means, as to each subclass of Notes, each of the following periods: the period commencing on (and including) the relevant Closing Date and ending on (but excluding) the first Payment Date thereafter and each successive period beginning on (and including) a Payment Date and ending on (but excluding) the next succeeding Payment Date; *provided* that the final Interest Accrual Period with respect to any subclass of Notes shall end on but exclude the date such subclass of Notes is repaid in full. Account balances with respect to each Interest Accrual Period shall be determined by reference to the balances of funds on deposit in the Accounts as of the close of business on the Calculation Date immediately preceding each Payment Date.

"Interest Amount" means, with respect to each subclass of Notes, on any Payment Date, (a) the amount of interest accrued and unpaid to such Payment Date at the Applicable Rate of Interest with respect to such subclass of Notes for the Interest Accrual Period ending on such Payment Date, determined in accordance with the terms of such subclass of Notes, plus (b) interest at the rate specified in clause (a) above on any Interest Amount due but not paid on any prior Payment Date.

"Interest Class G Drawing" means a Policy Drawing made pursuant to Section 3.15(a).

"Interest Class G Shortfall" has the meaning given to such term in Section 3.07(h)(i).

"Investment" has the meaning given to such term in Section 5.02(c).

"Investment Earnings" means investment earnings on funds on deposit in any Account net of losses and investment expenses of the Cash Manager in making such investments.

"Irish Bank" means any bank organized under the laws of the Republic of Ireland.

"Irish Paying Agent" means Custom House Administration and Corporate Services Limited.

"Irish Security Agreement" has the meaning given to it in Section 3.01(a).

"Irish Share Mortgage" has the meaning given to it in the Security Trust Agreement.

"Irish VAT Refund Account" has the meaning given to such term in Section 3.01(a).

"Issuer" has the meaning set forth in the preamble hereof.

"Issuer Group" means the Issuer and each Issuer Subsidiary.

"Issuer Group Member" means the Issuer or an Issuer Subsidiary.

"Issuer Secretary" means the secretary of the Issuer. The initial Issuer Secretary is Mourant & Co. Secretaries Limited.

"Issuer Subsidiary" means each direct or indirect subsidiary of the Issuer (including each trust of which the Issuer or a subsidiary thereof is the holder of the beneficial interest) existing on the Second Closing Date and listed on Schedule 2 to this Indenture and any other direct or indirect subsidiary (including any such trust) of the Issuer.

"Junior Claim" means (a) with respect to Expenses, all other Obligations and (b) with respect to any other Obligations, all Obligations, in each case, as to which the payment of such other Obligations constitute a Prior Ranking Amount.

"Junior Claimant" means the holder of a Junior Claim.

"Junior Representative" means, as applicable, the Trustee with respect to any Junior Claim consisting of any subclass of Notes of which it is the Trustee and any other Person acting as the representative of one or more Junior Claimants.

"LEAGA Amendment and Accession Agreement" means the LEAGA Amendment and Accession Agreement dated as of the Second Closing Date between, among others, the Issuer and certain of the Issuer Subsidiaries.

"Leases" means the Current Leases, the Future Leases and the Additional Leases.

"Legal Defeasance" has the meaning given to such term in Section 11.01(b).

"Lessee" means each Person who is the lessee of an Aircraft from time to time leased from an Issuer Group Member pursuant to a Lease.

"Lessee Funded Account" has the meaning given to such term in Section 3.01(a).

"LF Drawing" has the meaning given to such term in Section 3.14(a).

"LIBOR" means the London interbank offered rate for one month U.S. dollar deposits, determined pursuant to the Reference Agency Agreement, or such other interest rate so denominated, with respect to any Additional Notes or Refinancing Notes, in an indenture supplemental hereto for any such Notes or in the form thereof.

"LIBOR Break Costs" means, as of any date of redemption of any subclass of Class G Notes (the "Applicable Date"), an amount determined by the Cash Manager on the date that is two Business Days prior to the Applicable Date pursuant to the formula set forth below; provided, however, that no LIBOR

Break Costs will be payable (x) if the LIBOR Break Costs, as calculated pursuant to the formula set forth below, is equal to or less than zero, or (y) on or in respect of any Applicable Date that is a Payment Date.

LIBOR Break Costs = Z-Y

Where:

X = with respect to any applicable Interest Accrual Period, the sum of (i) the amount of the Outstanding Principal Balance of such subclass of Class G Notes to be redeemed on the Applicable Date plus (ii) interest payable thereon during the entire then applicable Interest Accrual Period at the then effective LIBOR.

Y = X, discounted to present value from the last day of the then applicable Interest Accrual Period to the Applicable Date, using then effective LIBOR as the discount rate.

Z = X, discounted to present value from the last day of the then applicable Interest Accrual Period to the Applicable Date, using a rate equal to the applicable London interbank offered rate for a period commencing on the Applicable Date and ending on the last day of the then applicable Interest Accrual Period, determined by the Cash Manager as of two Business Days prior to the Applicable Date as the discount rate.

"Liquidity Event of Default" has the meaning assigned to such term in the Initial Primary Liquidity Facility.

"Liquidity Facility Interest Class G Shortfall" has the meaning given to such term in Section 3.07(g).

"Listing Agent" means McCann FitzGerald Listing Services Limited.

"Loan, Expenses Apportionment and Guarantee Agreement" means the Loan, Expenses Apportionment and Guarantee Agreement dated as of the Initial Closing Date between the Issuer as Lender and the borrowers from time to time party thereto as amended by the LEAGA Amendment and Accession Agreement.

"Malaysian Share Charge" has the meaning given to it in the Security Trust Agreement.

"Material Hedge Agreement Terms" means events of default, termination events, additional termination events, Subordinated Hedge Payment provisions, Policy Provider step-in rights, Policy Provider consent rights to amendments, assignments and transfers, provisions relating to the obligation of the Hedge Provider to any Issuer Group Member to post collateral, find a replacement counterpart or take other remedial action upon a downgrade in its credit rating (together with the associated ratings thresholds) and a provision stating that the Policy Provider is an intended third-party beneficiary.

"Maximum Commitment" has the meaning assigned to such term in the Initial Primary Liquidity Facility.

"Minimum Class G Principal Shortfall" has the meaning given to such term in Section 3.07(h)(v).

"Modification Payment" has the meaning given to such term in Section 5.02(i).

"Monthly Report" has the meaning given to such term in Section 2.15(a).

"Moody's" means Moody's Investors Service, Inc.

"Net Sale Proceeds" means, with respect to any sale or other disposition of any assets, the aggregate amount of cash received or to be received from time to time (whether as initial or deferred consideration) by or on behalf of the seller in connection with such transaction after deducting therefrom (without duplication) (a) reasonable and customary brokerage commissions and other similar fees and commissions (including fees received by the Servicer under the Servicing Agreement) and (b) the amount of taxes payable in connection with or as a result of such transaction, in each case to the extent, but only to the extent, that the amounts so deducted are, at the time of receipt of such cash, actually paid to a Person that is not an Affiliate of the seller and are properly attributable to such transaction or to the asset that is the subject thereof.

"New Aircraft" means each of the aircraft identified in Schedule 1B hereto (including any related Engines and Parts) and any Substitute Aircraft, excluding any such aircraft (or related Aircraft Interest) sold or disposed of (directly or indirectly) by way of a completed Aircraft Sale and any Remaining New Aircraft for which a Substitute Aircraft is acquired pursuant to the Second Share Purchase Agreement.

"New Hedge Agreement" means the interest rate cap transaction with an effective date of May 8, 2007 under the ISDA Master Agreement dated as of May 8, 2007 between UBS AG and the Issuer.

"New Lease" means, with respect to each New Aircraft, each aircraft lease agreement, conditional sale agreement, hire purchase agreement or other similar arrangement with respect to such New Aircraft in existence at the Second Closing Date and specified in

Schedule 7 to the Second Share Purchase Agreement or with respect to any Substitute Aircraft described therein, as such agreement may be amended, modified, extended, supplemented, assigned or novated from time to time.

"Non-Delivery Event" has the meaning given to such term in the Second Share Purchase Agreement.

"Non-Extension Drawing" has the meaning assigned to such term in Section 3.14(d).

"Non-Extended Facility" has the meaning assigned to such term in Section 3.14(d).

"Non-Significant Subsidiary" means a direct or indirect subsidiary of the Issuer with respect to which an order or decree described in 4.01(e) has been entered or an event described in 4.01(f) has occurred if, as of the date of the entry of such order or decree or of such event, as the case may be, such subsidiary, together with all of the subsidiaries of the Issuer that have been and, unless liquidated, continue to be subject to such an order or decree or event, as the case may be, own or lease Aircraft having an aggregate Adjusted Base Value of less than 10% of the Adjusted Portfolio Value as of such applicable date of such order or decree or event.

"Non-Trustee Accounts" has the meaning given to such term in Section 3.01(f).

"Non-U.S. Person" means a person who is not a U.S. person, as defined in Regulation S.

"Note Account" has the meaning given to such term in Section 3.01(a).

"Note Custodian" means Deutsche Bank Trust Company Americas in its capacity as note custodian pursuant to the terms of the Deposit Agreement, including its successors in interest and permitted assigns.

"Note Purchase Agreement" means the Note Purchase Agreement dated as of April 27, 2007 between the Issuer, AerCap and the Initial Purchasers.

"Note Target Price" means, as of any date of determination thereof and with respect to any Aircraft, an amount equal to 103% of the aggregate Outstanding Principal Balance of the Class G Notes allocable to such Aircraft together with any accrued but unpaid interest on such Outstanding Principal Balance, and any related Hedge Breakage Costs and any Policy Premium then due and payable to the Policy Provider, allocable in each case to such Aircraft on the date of the sale agreement or Purchase Option exercise date, as the case may be. On any date, the Outstanding Principal Balance of the Class G Notes and Policy Premium (each an "Allocable Amount") allocable to an Aircraft shall equal the product of (i) (A) the Adjusted Base Value of such Aircraft divided by (B) the Adjusted Portfolio Value and (ii) such Allocable Amount, in each case on the most recent Payment Date.

"Notes" means the Initial Notes, the Second Issuance Notes, all Additional Notes, if any, all Refinancing Notes, if any, and all Notes, if any, issued in replacement or substitution of a Note.

"Notice of Avoided Payment" has the meaning given to such term in the Policy.

"Notice of Nonpayment" has the meaning given to such term in the Policy.

"Notices" has the meaning given to such term in Section 12.05.

"Obligations" means the Secured Obligations.

"Offering Memorandum" means the offering memorandum dated April 27, 2007 issued by the Issuer in respect of the offering of the Class G-3 Notes.

"Officer's Certificate" means a certificate signed by, with respect to the Issuer, any Director and, with respect to any other Person, any authorized officer, director, trustee or equivalent representative of such Person.

"Omnibus Agreement" means the Service Provider Omnibus Amendment dated as of the Second Closing Date among the Issuer, the Issuer Subsidiaries, AerCap Ireland, AerCap Administrative Services Limited, AerCap Cash Manager II Limited, the Policy Provider and Deutsche Bank Trust Company Americas.

"Operating Bank" means the Person acting, at the time of determination, as the Operating Bank under the Security Trust Agreement. The initial Operating Bank is Deutsche Bank Trust Company Americas.

"Opinion of Counsel" means a written opinion signed by legal counsel, who may be an employee of or counsel to the Issuer, that meets the requirements of Section 1.03.

"Optional Redemption" means a Redemption of Notes pursuant to Section 3.11(a).

"Original Indenture" has the meaning given to such term in the recitals.

"Outstanding" means (a) with respect to the Notes of any class or subclass at any time, all Notes of such class or subclass theretofore authenticated and delivered by the Trustee except (i) any such Notes cancelled by, or delivered for cancellation to, the Trustee;

(ii) any such Notes, or portions thereof, for the payment of principal of and accrued and unpaid interest on which moneys have been deposited in the

applicable Note Account or distributed to Holders by the Trustee and any such Notes, or portions thereof, for the payment or redemption of which moneys in the necessary amount have been deposited in the Defeasance/Redemption Account; *provided* that if such Notes are to be redeemed prior to the maturity thereof in accordance with the requirements of Section 3.11(a) or 3.11(b), notice of such redemption shall have been given as provided in Section 3.11(c), or provision satisfactory to the Trustee shall have been made for giving such notice; and (iii) any such Notes in exchange or substitution for which other Notes have been authenticated and delivered, or which have been paid pursuant to the terms of this Indenture (unless proof satisfactory to the Trustee is presented that any of such Note is held by a Person in whose hands such Note is a legal, valid and binding obligation of the Issuer); and (b) when used with respect to any evidence of indebtedness other than any Notes means, at any time, any principal amount thereof then unpaid and outstanding (whether or not due or payable).

"Outstanding Amount" has the meaning given to such term in Section 3.07(h)(iii).

"Outstanding Balance" has the meaning given to such term in Section 3.15(c).

"Outstanding Principal Balance" means, with respect to any Notes Outstanding, the total principal amount evidenced by such Outstanding Notes unpaid at any time.

"Outstanding Priority Balance" has the meaning given to such term in Section 4.13.

"Ownership Interest" has the meaning given to such term in Section 5.02(b).

"Partial Loss" means, with respect to any Aircraft, any event or occurrence of loss, damage, destruction or the like which is not a Total Loss.

"Partial Loss Proceeds" means, with respect to any Aircraft, the total proceeds of the insurance or reinsurance (other than in respect of liability insurance) paid in respect of any Partial Loss to any Issuer Group Member.

"Participant" means, with respect to DTC, Euroclear or Clearstream, a Person who has an account with DTC, Euroclear or Clearstream, respectively (and, with respect to DTC, shall include Euroclear and Clearstream).

"Parts" means any part, component, appliance, accessory, instrument or other item of equipment (other than any Engine) installed in or attached to (or constituting a spare for any such item installed in or attached to) any Aircraft (other than any Engine).

"Paying Agent" has the meaning given to such term in Section 2.03(a).

"Payment Date" means the fifth Business Day of each month.

"Permitted Account Investments" means, in each case (except with regard to clause (f)), book-entry securities, negotiable instruments or securities in registered form that evidence:

(a) direct obligations of, and obligations fully Guaranteed as to timely payment by, the United States of America (having original maturities of no more than 365 days, or such lesser time as is required for the distribution of funds);

(b) money market deposit accounts, demand deposits, time deposits, savings deposits or certificates of deposit of the Operating Bank or of depository institutions or trust companies

organized under the laws of the United States of America or any state thereof, or the District of Columbia (or any domestic branch of a foreign bank) (i) having original maturities of no more than 365 days, or such lesser time as is required for the distribution of funds; *provided* that at the time of Investment or contractual commitment to invest therein, the short-term debt rating of such depository institution or trust company shall be at least A-1 by Standard & Poor's, P-1 by Moody's and, if rated by Fitch, F1 by Fitch or (ii) having maturities of more than 365 days and, at the time of the Investment or contractual commitment to invest therein, a rating of AA by Standard & Poor's, Aa2 by Moody's and, if rated by Fitch, A by Fitch; *provided* that, during any applicable period, not more than 20% of the Issuer's aggregate Permitted Account Investments may be made in investments described under this clause (b);

(c) corporate or municipal debt obligations (including, without limitation, open market commercial paper) (i) having remaining maturities of no more than 365 days, or such lesser time as is required for the distribution of funds, having, at the time of the Permitted Account Investment or contractual commitment to invest therein, a rating of at least A-1 or AA by Standard & Poor's, P-1 or Aa2 by Moody's and, if rated by Fitch, F1 or AA by Fitch or (ii) having maturities of more than 365 days and, at the time of the Investment or contractual commitment to invest therein, a rating of AA by Standard & Poor's, Aa2 by Moody's and, if rated by Fitch, AA by Fitch;

(d) Investments in money market funds (including funds in respect of which the Trustee or any of its Affiliates is investment manager or advisor) having a rating of at least AA by Standard & Poor's, Aa2 by Moody's and, if rated by Fitch, AA by Fitch;

(e) notes or bankers' acceptances (having original maturities of no more than 365 days, or such lesser time as is required for the distribution of funds) issued by any depository institution or trust company referred to in (b) above; or

(f) any other Investments approved pursuant to a Rating Agency Confirmation;

provided, *however*, that no Investment shall be made in any obligations of any depository institution or trust company which has a contractual right to set off and apply any deposits held, and other indebtedness owing, by any Issuer Group Member to or for the credit or the account of such bank.

"Permitted Accruals" has the meaning given to such term in Section 3.09(a).

"Permitted Additional Aircraft Acquisition" has the meaning given to such term in Section 5.02(h).

"Permitted Encumbrance" has the meaning given to such term in Section 5.02(b).

"Permitted Tax-Related Disposition" has the meaning given to such term in Section 5.02(g).

"Person" means any natural person, firm, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, government or any political subdivision thereof or any other legal entity, including public bodies.

"Pledged Beneficial Interest" has the meaning given to such term in the Security Trust Agreement.

"Pledged Debt" has the meaning given to such term in the Security Trust Agreement.

"Pledged Membership Interest" has the meaning given to such term in the Security Trust Agreement.

"Pledged Shares" has the meaning given to such term in the Security Trust Agreement.

"Policy" means the MBIA Financial Guaranty Insurance Policy No. 495150 issued on the Second Closing Date by the Policy Provider, together with all endorsements thereto, in favor of the Trustee for the benefit of the Holders of the Class G-3 Notes.

"Policy Drawing" means, with respect to the Policy, any payment of a claim under the Policy.

"Policy Expenses" means all amounts (including, but not limited to, all amounts in respect of fees, indemnities or costs and expenses incurred by the Policy Provider, including, without limitation, in connection with the enforcement, defense or preservation of any rights in respect of any of the Related Documents) due to the Policy Provider under the Policy Provider Agreement or any other Policy Provider Document other than (i) reimbursement of any Policy Drawing, (ii) any Policy Premium or Policy Redemption Premium, (iii) any interest accrued on any Policy Drawings or any Policy Premium or Policy Redemption Premium, and (iv) reimbursement of and interest on any Credit Facility Advance Obligations in respect of any Eligible Credit Facility paid by the Policy Provider to any provider of an Eligible Credit Facility.

"Policy Fee Letter" means the fee letter, dated as of May 8, 2007 from the Policy Provider to the Issuer and the Trustee setting forth the Policy Premium and certain other amounts payable in respect of the Policy.

"Policy Non-Consent Event" means the occurrence of (i) the payment of the Class G Notes in full (other than any Refinancing Notes that are Class G Notes so long as the Class G Notes covered by the Policy have been paid in full with the proceeds of the issuance of such Refinancing Notes, such Refinancing Notes are not covered by the Policy and the Policy has been terminated and surrendered to the Policy Provider for cancellation in connection with such Refinancing), (ii) the termination and surrender of the Policy to the Policy Provider for cancellation and (iii) the payment of all Policy Provider Obligations in full.

"Policy Premium" has the meaning given to such term in the Policy Fee Letter.

"Policy Provider" means MBIA Insurance Corporation, a New York stock insurance company, or any successor thereto, as issuer of the Policy.

"Policy Provider Agreement" means the Insurance and Indemnity Agreement, dated as of the Second Closing Date, among the Trustee, the Issuer and the Policy Provider.

"Policy Provider Default" means the occurrence of any of the following events: (a) the Policy Provider fails to make a payment required under the Policy in accordance with its terms and such failure remains unremedied for two Business Days following the delivery of Written Notice of such failure by the Trustee, Cash Manager, Operating Bank or the Administrative Agent to the Policy Provider, or (b) the Policy Provider (i) files any petition or commences any case or proceeding under any provisions of any federal or state law relating

to insolvency, bankruptcy, rehabilitation, liquidation or reorganization, (ii) makes a general assignment for the benefit of its creditors or (iii) has an order for relief entered against it under any federal or state law relating to insolvency, bankruptcy, rehabilitation, liquidation or reorganization that is final and nonappealable, or (c) a court of competent jurisdiction, the New York Insurance Department or another competent judicial or regulatory authority enters a final and

nonappealable order, judgment or decree (i) appointing a custodian, trustee, agent or receiver for the Policy Provider or for all or any material portion of its property or (ii) authorizing the taking of possession by a custodian, trustee, agent or receiver of the Policy Provider (or taking of possession of all or any material portion of the Policy Provider's property).

"Policy Provider Documents" means the Policy, the Policy Fee Letter, the Policy Provider Agreement and the Policy Provider Indemnification Agreement.

"Policy Provider Indemnification Agreement" means the Indemnification Agreement dated as of April 27, 2007 entered into between the Policy Provider, the Issuer and the Initial Purchasers.

"Policy Provider Obligations" means all reimbursements and other amounts, including without limitation, fees and indemnities, due to the Policy Provider hereunder, or under the Policy Fee Letter, the Policy Provider Agreement, the Policy and the Policy Provider Indemnification Agreement, all such amounts to be paid only as expressly provided hereunder and without duplication whether by reason of any rights of subrogation or otherwise.

"Policy Redemption Premium" has the meaning given to such term in the Policy Fee Letter.

"Pool Factor" means, with respect to each subclass of Notes on any Payment Date, the "Pool Factor" for such Payment Date set forth in Schedule 8 hereto or in the appendix to such Notes, as the same may be adjusted in accordance with Section 3.12.

"Portfolio" means, at any time, all of (i) the Current Aircraft and (ii) any Additional Aircraft then owned by the Issuer Group.

"Precedent Lease" has the meaning given to such term in Section 5.03(f).

"Primary Administrative Agent" means, with respect to any date of determination, the Person acting, at such time, in the capacity of the primary administrative agent of the Issuer Group Members under the Administrative Agency Agreement. The initial Primary Administrative Agent is AerCap Administrative Services Limited.

"Primary Expenses" means all Expenses other than Modification Payments and Refinancing Expenses.

"Primary Liquidity Reserve Account" means any Cash Collateral Account established by or pursuant to a Board Resolution designating such Account as a "Primary Liquidity Reserve Account".

"Primary Servicer" means the Person acting, at the time of determination, in the capacity as primary servicing agent under the Servicing Agreement. The initial Primary Servicer is AerCap Ireland.

"Prior Ranking Amounts" means, with respect to any amount to be paid (or retained in the Collections Account) in accordance with Section 3.09(a) or 3.09(b) (as applicable), all amounts, if any, to be paid (or retained in the Collections Account) prior to the payment (or retention) of such amount in accordance with Section 3.09(a) or 3.09(b) (as applicable).

"Prohibited Countries" has the meaning determined, from time to time, in accordance with Section 5.03(a).

"Purchase Option" means a contractual option granted by the lessor or owner under an Aircraft Agreement (including pursuant to a conditional sale agreement) as to the purchase of the applicable Aircraft.

"Qualified Institutional Buyer" shall have the meaning given to such term in Rule 144A.

"Quarterly Report" has the meaning given to such term in Section 2.15(a).

"Rating Agency" means each of Moody's, Standard & Poor's, Fitch and any other nationally recognized rating agency designated by the Issuer; *provided* that such organizations shall only be deemed to be a Rating Agency for purposes of this Indenture with respect to the Notes they are then rating.

"Rating Agency Confirmation" means a written confirmation in advance of certain actions or transactions contemplated by the Issuer Group from each of the Rating Agencies then rating any of the Notes (unless otherwise specified in the applicable Related Document), that such action or transaction in and of itself will not result in the lowering, qualification or withdrawal by such Rating Agency of its then current credit rating, if any, of any subclass of Notes (such rating, in the case of the Class G Notes, as determined without regard to the Policy).

"Received Currency" has the meaning given to such term in Section 12.07(a).

"Receiver" means any Person or Persons appointed as (and any additional Person or Persons appointed or substituted as) administrative receiver, receiver, manager or receiver and manager.

"Record Date" means, with respect to each Payment Date, the close of business on the day that is 15 days prior to such Payment Date or, if 15 days has not passed since the Second Closing Date, the Second Closing Date, in any event whether or not such day is a Business Day.

"Redemption" has the meaning given to such term in Section 3.11(c).

"Redemption Date" means the date on which Notes of any subclass are to be redeemed pursuant to Section 3.11.

"Redemption Premium" means (a) with respect to any Class G-3 Note being redeemed in an Optional Redemption on any Redemption Date, the Redemption Premium indicated for the Class G-3 Note with respect to such date in the table below:

Redemption Date	Class G-3 Notes
On or after Second Closing Date	101.00 %
On or after June 15, 2007	100.97 %
On or after July 15, 2007	100.94 %
On or after August 15, 2007	100.92 %
On or after September 15, 2007	100.89 %
On or after October 15, 2007	100.86 %
On or after November 15, 2007	100.83 %
On or after December 15, 2007	100.81 %
On or after January 15, 2008	100.78 %
On or after February 15, 2008	100.75 %
On or after March 15, 2008	100.72 %

Redemption Date	Class G-3 Notes
On or after April 15, 2008	100.69 %
On or after May 15, 2008	100.67 %
On or after June 15, 2008	100.64 %
On or after July 15, 2008	100.61 %
On or after August 15, 2008	100.58 %
On or after September 15, 2008	100.56 %
On or after October 15, 2008	100.53 %
On or after November 15, 2008	100.50 %
On or after December 15, 2008	100.47 %
On or after January 15, 2009	100.44 %
On or after February 15, 2009	100.42 %
On or after March 15, 2009	100.39 %
On or after April 15, 2009	100.36 %
On or after May 15, 2009	100.33 %
On or after June 15, 2009	100.31 %
On or after July 15, 2009	100.28 %
On or after August 15, 2009	100.25 %
On or after September 15, 2009	100.22 %
On or after October 15, 2009	100.19 %
On or after November 15, 2009	100.17 %
On or after December 15, 2009	100.14 %
On or after January 15, 2010	100.11 %
On or after February 15, 2010	100.08 %
On or after March 15, 2010	100.06 %
On or after April 15, 2010	100.03 %
On or after May 15, 2010	100.00 %

and (b) with respect to any Additional Note or Refinancing Note, the Redemption Premium specified therefor by the terms of such Note.

"Redemption Price" means an amount (determined as of the Calculation Date for the Redemption Date for any Redemption pursuant to Section 3.11(a)) equal to:

(a) with respect to any Second Issuance Notes being redeemed and except as otherwise provided in clause (b) below, the product of (x) the applicable Redemption Premium and (y) the portion of the Outstanding Principal Balance being redeemed, together with LIBOR Break Costs (if any);

(b) with respect to any Second Issuance Notes being redeemed under Section 3.11(a) after the giving of a Default Notice or the Acceleration of any of the Notes, the then Outstanding Principal Balance thereof without Redemption Premium or LIBOR Break Costs; and

(c) with respect to any Notes other than the Second Issuance Notes, as provided in the Board Resolution or indenture supplemental hereto providing for the issuance of such Notes.

"Reference Agency Agreement" means the Reference Agency Agreement dated as of the Initial Closing Date, between the Issuer, the Reference Agent and the Cash Manager pursuant to which LIBOR is determined from time to time, as amended by the Omnibus Agreement.

"Reference Agent" means the Person acting, at the time of determination, in the capacity of the Reference Agent under the Reference Agency Agreement. The initial Reference Agent is Deutsche Bank Trust Company Americas.

"Reference Date" means, with respect to each Interest Accrual Period, the day that is two Business Days prior to the commencement of such Interest Accrual Period.

"Refinancing" has the meaning given to such term in Section 2.10.

"Refinancing Account" has the meaning given to such term in Section 3.01(a).

"Refinancing Expenses" means all out-of-pocket costs and expenses Incurred in connection with an offering and issuance of Refinancing Notes.

"Refinancing Notes" means any subclass of Notes issued by the Issuer under this Indenture at any time and from time to time after the date hereof, in a Refinancing in accordance with Section 2.10.

"Register" has the meaning given to such term in Section 2.03.

"Registrar" has the meaning given to such term in Section 2.03.

"Regulation S" means Regulation S under the Securities Act.

"Regulation S Global Note" has the meaning given to such term in Section 2.01(b).

"Related Collateral Document" means any letter of credit, third-party or bank guarantee or cash collateral provided by or on behalf of a Lessee to secure such Lessee's obligations under a Lease.

"Related Documents" means the Administrative Agency Agreement, each Eligible Credit Facility, this Indenture, the Shareholders Undertaking, the Securities, the Deposit Agreement, the Reference Agency Agreement, the Security Documents, the Policy Provider Documents, the Servicing Agreement, the Cash Management Agreement, the Share Purchase Agreement, the Second Share Purchase Agreement, the Omnibus Agreement, the LEAGA Amendment and Accession Agreement, the Loan, Expenses Apportionment and Guarantee Agreement and any other Acquisition Agreement and any Hedge Agreements. References to "Related Documents" will also include, where the context requires, any Refinancing Notes and any Additional Notes and any guarantees, asset or stock purchase agreements, swap or other interest rate, currency or other hedging agreements or any other agreement entered into or security offered by any Issuer Group Member in connection with any acquisition of Additional Aircraft or Aircraft Conversions and issuance of Additional Notes or Refinancing Notes.

"Relevant Appraisal" means, with respect to any date of determination, the most recent Appraisals preceding such date of determination.

"Relevant Information" means any information provided to the Cash Manager by the Trustee, the Security Trustee, the Operating Bank, any Authorized Agent, the Issuer, the Board or any Service Provider.

"Remaining New Aircraft" has the meaning given to the term "Remaining Aircraft" in the Second Share Purchase Agreement or to that or any comparable term in any other Acquisition Agreement.

"Remaining New Aircraft Allocation Amount" has the meaning given to such term in Section 2.12(a).

"Renewal Lease" has the meaning given to such term in Section 5.03(f).

"Rental Account" has the meaning given to such term in Section 3.01(a).

"Rental Payments" means all rental payments and other amounts equivalent to a rental payment payable by or on behalf of a Lessee under a Lease including, for the avoidance of doubt, Rent Payments (as defined in the Second Share Purchase Agreement) paid to the Issuer pursuant to Clause 4 of the Second Share Purchase Agreement.

"Replacement Primary Liquidity Facility" means, for the Initial Primary Liquidity Facility, an irrevocable revolving credit agreement (or agreements) in substantially the form of the Initial Primary Liquidity Facility, including reinstatement provisions, or in such other form or forms (which may include a letter of credit, surety bond, swap, financial insurance policy or guaranty) as shall permit the Rating Agencies to confirm in writing their respective ratings then in effect for the Class G Notes (before downgrading of such ratings, if any, as a result of the downgrading of the ratings of the replaced Initial Primary Liquidity Facility Provider; such rating as determined without regard to the Policy) and, if not in form and substance substantially the same as the Initial Primary Liquidity Facility as reasonably determined by the Policy Provider, that has been approved in writing by the Policy Provider, in a face amount (or in an aggregate face amount) equal to the then Maximum Commitment for the replaced Initial Primary Liquidity Facility and issued by a Person (or Persons) having an unsecured short-term or long-term (as the case may be) debt rating and a short-term or long-term (as the case may be) issuer credit rating, as the case may be, issued by each Rating Agency which is equal to or higher than the Threshold Rating (and consented to in writing by the Policy Provider if any such rating which is equal to the Threshold Rating shall not have a stable or positive outlook according to the Rating Agencies) or, with the written consent of the Policy Provider, such other ratings and qualifications as shall permit the Rating Agencies to confirm in writing their respective ratings then in effect for the Class G Notes (before the downgrading of such ratings, if any, as a result of the downgrading of the ratings of the replaced Initial Primary Liquidity Provider; such rating as determined without regard to the Policy). Without limitation of the form that a Replacement Primary Liquidity Facility otherwise may have pursuant to the preceding sentence, a Replacement Primary Liquidity Facility may have a stated expiration date earlier than 15 days after the Final Maturity Date of the Class G Notes so long as such Replacement Primary Liquidity Facility provides for a Non-Extension Drawing as contemplated by Section 3.14(d).

"Replacement Primary Liquidity Provider" means a Person (or Persons) who issues a Replacement Primary Liquidity Facility.

"Repossession Insurance" has the meaning given to such term in Section 5.03(h).

"Required Amount" means (a) initially with respect to the Initial Primary Liquidity Reserve Account, zero; *provided* that, if a Downgrade Drawing, a Non-Extension Drawing or (for the purposes of Section 3.14(f)(ii) hereof and Article II of the Initial Primary Liquidity Facility only) a Final Drawing shall have occurred, the "Required Amount" with respect to the Initial Primary Liquidity Reserve Account shall be $72,000,000, and (b) thereafter, on any Payment Date, with respect to the Primary Liquidity Reserve Account and any Eligible Credit Facility, such amounts as the Board has unanimously determined (and for which a Rating Agency Confirmation and prior written consent of the Policy

Provider and the Initial Primary Liquidity Facility Provider have been received), plus the increase, if any, in the Required Amount for any such Cash Collateral Account or Eligible Credit Facility provided for by the terms of any Additional Notes or Refinancing Notes.

"Required Expense Amount" means, with respect to each Payment Date, the amount of Expenses of the Issuer Group due and payable on the Calculation Date immediately preceding such Payment Date or reasonably anticipated to become due and payable before the next succeeding Payment Date, the accrual of which would be prudent in light of the size and timing of such Expenses (and with respect to any maintenance expenditures, before the third next succeeding Payment Date), to the extent such Expenses consist of (a) Primary Expenses and (b) any Modification Payments or Refinancing Expenses in respect of which a Permitted Accrual was previously effected by a deposit in the Expense Account (whether or not any such deposit has been previously used to pay any other Primary Expense but excluding any portion of such deposit previously used to pay any Modification Payments or Refinancing Expenses) in each case after giving effect to any withdrawal from any Lessee Funded Account or any drawing upon a Related Collateral Document that is then available for the payment of any such Expense; *provided*, *however*, that the Required Expense Amount shall not include any Initial Expenses.

"Required Expenses Shortfall" has the meaning giving to such term in Section 3.07(g).

"Requisition Compensation" means all monies or other compensation receivable by any Issuer Group Member from any government, whether civil, military or de facto, or public or local authority in relation to an Aircraft in the event of its requisition for title, confiscation, restraint, detention, forfeiture or compulsory acquisition or seizure or requisition for hire by or under the order of any government or public or local authority.

"Reserved Cash" means any amounts designated as such in a Board Resolution, subject to the prior written consent of the Policy Provider and the Initial Primary Liquidity Facility Provider.

"Responsible Officer" means (a) with respect to the Trustee, any officer within the Corporate Trust Office, including any Vice President, Managing Director, Director, Associate, Assistant Vice President, Secretary, Assistant Secretary or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers and also, with respect to a particular matter, any other officer to whom such matter is referred because of such officer's knowledge and familiarity with the particular subject, (b) with respect to the Issuer, any Director and (c) with respect to any Person providing an Eligible Credit Facility and the Cash Manager, any authorized officer of such Person.

"Restricted Note" means any Note bearing the Restrictive Legend.

"Restricted Period" has the meaning giving to such term in Section 2.13(c)(i).

"Restrictive Legend" means the legend in the form set forth in Section 2.02(a).

"Revisions" has the meaning given to such term in Section 5.03(f)(iv).

"Rule 144A" means Rule 144A under the Securities Act.

"Rule 144A Global Note" has the meaning given to such term in Section 2.01(b).

"Second Closing Date" means May 8, 2007.

"Second Issuance Notes" has the meaning given to such term in the recitals.

"Second Share Purchase Agreement" means the Share Purchase Agreement dated as of the Second Closing Date between the Issuer and AerCap Ireland.

"Secured Obligations" has the meaning given to such term in the Security Trust Agreement.

"Secured Parties" has the meaning given to such term in the Security Trust Agreement.

"Securities" means the Second Issuance Notes, all Additional Notes, if any, and all Refinancing Notes, if any.

"Securities Act" means the U.S. Securities Act of 1933, as amended.

"Securities Depository" means The Depository Trust Company, its nominees and its and their respective successors, as registered holder of Book-Entry Interests representing Global Notes.

"Security Documents" means the Security Trust Agreement and any document executed pursuant thereto (including the Dutch Security Agreement, the Dutch Security Documents, the Irish Share Mortgages and the Malaysian Share Charge), or otherwise, for the purpose of granting a security interest in any Collateral to the Security Trustee for the benefit of the Secured Parties or for the purpose of perfecting such security interest.

"Security Interests" means the security interests granted or expressed to be granted in the Collateral pursuant to the Security Trust Agreement.

"Security Trust Agreement" means the Amended and Restated Security Trust Agreement dated as of the Second Closing Date, between the Issuer, each other party thereto and the Security Trustee.

"Security Trustee" means the Person appointed, at the time of determination, as the trustee for the benefit of the Secured Parties pursuant to Section 5.01 of the Security Trust Agreement. The initial Security Trustee is Deutsche Bank Trust Company Americas.

"Segregated Funds" means, with respect to each Lease, (a) all security deposits provided for under such Lease that have been received from the relevant Lessee or pursuant to the relevant Acquisition Agreement with respect to such Lease, (b) any security deposit pledged to the relevant Lessee by an Issuer Group Member and (c) all other funds, including any maintenance reserves, received from the relevant Lessee or pursuant to the relevant Acquisition Agreement with respect to such Lease and in each case of clause (a), (b) and (c) not permitted, pursuant to the terms of such Lease, to be commingled with the funds of the Issuer Group.

"Seller" means AerCap Ireland, a company incorporated under the laws of Ireland and having its registered office at AerCap House, Shannon, County Clare, Ireland, and any Affiliates thereof that are sellers of (a) a Company or (b) entities that own an Aircraft, in each case to an Issuer Group Member on or after the Second Closing Date.

"Senior Claim" means, with respect to any Obligations (other than Expenses), all other Obligations the payment of which constitutes a Prior Ranking Amount with respect thereto.

"Senior Claimant" means the holder of a Senior Claim.

"Senior Class" means (1) prior to the occurrence of the Policy Non-Consent Event: (a) so long as any Class G Notes are Outstanding, the Class G Notes and (b) after the Class G Notes have been repaid in full and so long as any Class E Notes are Outstanding, the Class E Notes and (2) after the occurrence of the Policy Non-Consent Event: (a) so long as any Class G-3 Notes are Outstanding, the Class G-3 Notes and (b) after the Class G Notes have been repaid in full and so long as any Class E Notes are Outstanding, the Class E Notes.

"Senior Hedge Payment" means, on any Payment Date, a net payment (if any due) to a Hedge Provider by any Issuer Group Member and any related Hedge Breakage Costs but excluding any Subordinated Hedge Payment.

"Senior Hedge Payments Shortfall" has the meaning giving to such term in Section 3.07(g).

"Senior Trustee" means the Trustee of the Senior Class or, if the Senior Class shall be the Class E Notes, the Class E Note Representative; *provided* that if the same Person shall not be the Trustee of each of the subclasses of the Senior Class, then the Senior Trustee shall be the Trustee of the subclass of such Notes with the lowest numerical designation then Outstanding. If as a result of the foregoing, the Senior Trustee and the Operating Bank are not the same Person, the Senior Trustee shall assume the obligations of the Operating Bank under, and become a party to, the Security Trust Agreement.

"Service Provider" means each of the Trustee, the Servicer, the Administrative Agent, the Cash Manager, the Operating Bank, the Reference Agent and any other service provider retained from time to time by an Issuer Group Member pursuant to the Related Documents.

"Servicer" means, collectively, the Primary Servicer and the Insurance Servicer.

"Servicer's Pro Forma Lease" has the meaning given to such term in Section 5.03(f)(i).

"Servicing Agreement" means the Servicing Agreement dated as of the Initial Closing Date among the Primary Servicer, the Insurance Servicer, the Primary Administrative Agent, the Financial Administrative Agent, the Issuer Subsidiaries party thereto, the Policy Provider and the Issuer, as amended by the Omnibus Agreement.

"Share Purchase Agreement" means the Share Purchase Agreement dated as of the Initial Closing Date between the Issuer and AerCap Ireland.

"Shareholders Undertaking" means the Shareholders Undertaking dated as of the Initial Closing Date among Mourant & Co. Trustees Limited (as the Charitable Trustee), Juris Limited, Lively Limited, AerCap Ireland, the Issuer, the Trustee and the Policy Provider, as amended by an Amendment Agreement dated as of the Second Closing Date.

"Special Distribution Date" means a distribution date established by the Trustee for the distribution of the proceeds of an Avoidance Drawing.

"Special Indemnity Payments" means (a) any indemnity amounts owing at any time and from time to time by the Issuer to the Initial Purchasers under the Note Purchase Agreement, to the "Initial Purchasers" and the "Placement Agent", as each term is defined in the Note Purchase Agreement (as defined in the Original Indenture), to the Servicer under Section 2.03(f) of the Servicing Agreement or to the Policy Provider under the Policy Provider Indemnification Agreement and the Policy Provider Indemnification Agreement (as defined in the Original Indenture), (b) any other indemnity amounts owing at any time and from time to time to any other Person party to a Related Document which arise

from violations of the Securities Act, the U.S. Securities Exchange Act of 1934, as amended or any other securities law, and (c) any indemnification amounts (including without limitation, any and all claims, expenses, obligations, liabilities, losses, damages and penalties) of, or owing to, the Trustee, the Directors, the Security Trustee, the Operating Bank, the Cash Manager, the Depositary, the Note Custodian, any Authorized Agent, the Charitable Trustee and any other Service Provider that are not payable as Expenses.

"Standard & Poor's" means Standard & Poor's Ratings Group, a division of The McGraw-Hill Companies, Inc.

"State of Registration" means, in relation to an Aircraft at any time, the country or state on whose national register such Aircraft is registered at that time under the laws of such country or state in accordance with the applicable provisions of any Lease relating to such Aircraft or, in the absence of any such provisions, Applicable Law.

"Stated Expiration Date" has the meaning given to such term in Section 3.14(d).

"Subordinated Hedge Payments" means any amounts payable by any Issuer Group Member to a Hedge Provider that are subordinated in accordance with the relevant Hedge Agreement (including, but not limited to, any Hedge Breakage Costs payable by any Issuer Group Member to a Hedge Provider if such Hedge Breakage Costs result from an early termination of the related Hedge Agreement with respect to which such Hedge Provider is the "Defaulting Party" or an "Affected Party" (as such terms are defined in the related Hedge Agreement)).

"Substitute Aircraft" has the meaning given to such term in the Second Share Purchase Agreement or to that or any comparable term in any other Acquisition Agreement and that has been approved by the Policy Provider.

"Swaption" means any option agreement with respect to a Hedge Agreement.

"Taxes" mean any and all taxes, fees, levies, duties, tariffs, imposts, and other charges of any kind (together with any and all interest, penalties, loss, damage, liability, expense, additions to tax and additional amounts or costs Incurred or imposed with respect thereto) imposed or otherwise assessed by the United States or by any state, local or foreign government (or any subdivision or agency thereof) or other taxing authority, including, without limitation: taxes or other charges on or with respect to income, franchises, windfall or other profits, gross receipts, property, sales, use, capital stock, payroll, employment, social security, workers' compensation, unemployment compensation, or net worth and similar charges; taxes or other charges in the nature of excise, withholding, ad valorem,

stamp, transfer, value added, taxes on goods and services, gains taxes, license, registration and documentation fees, customs duties, tariffs, and similar charges.

"Termination Notice" has the meaning assigned to such term in the Initial Primary Liquidity Facility.

"Threshold Rating" means the short-term issuer credit rating of A-1 by Standard & Poor's (or, in the absence of a short-term issuer credit rating by Standard & Poor's, a long-term issuer credit rating of AA- by Standard & Poor's), a short-term unsecured debt rating of P-1 by Moody's (or, in the absence of a short-term unsecured debt rating by Moody's, a long-term unsecured debt rating of A1 by Moody's) and, if rated by Fitch, a long-term unsecured debt rating of AA- by Fitch.

"Third Party Event" has the meaning given to such term in Section 5.03(b).

"TIA" means the U.S. Trust Indenture Act of 1939, as amended.

"Tombo Aircraft" means the Aircraft bearing manufacturer's serial number 802, which is leased to Lyon Location S.A.R.L. and subleased to Tombo Capital Corporation, which further subleases such Aircraft to All Nippon Airways Co., Ltd.

"Tombo Lease" means the lease of the Tombo Aircraft between Lyon Location S.A.R.L., as sublessor, and Tombo Capital Corporation, as sublessee.

"Total Loss" means, with respect to any Aircraft (a) if the same is subject to a Lease, a Casualty Occurrence, Total Loss or Event of Loss (each as defined in such Lease) or the like (however so defined); or (b) if the same is not subject to a Lease, (i) its actual, constructive, compromised, arranged or agreed total loss, (ii) its destruction, damage beyond repair or being rendered permanently unfit for normal use for any reason whatsoever, (iii) its requisition for title, confiscation, restraint, detention, forfeiture or any compulsory acquisition or seizure or requisition for hire (other than a requisition for hire for a temporary period not exceeding 180 days) by or under the order of any government (whether civil, military or de facto) or public or local authority or (iv) its hijacking, theft or disappearance, resulting in loss of possession by the owner or operator thereof for a period of 30 consecutive days or longer. A Total Loss with respect to any Aircraft shall be deemed to occur on the date on which such Total Loss is deemed pursuant to the relevant Lease to have occurred or, if such Lease does not so deem or the relevant Aircraft is not subject to a Lease, (A) in the case of an actual total loss or destruction, damage beyond repair or being rendered permanently unfit, the date on which such loss, destruction, damage or rendering occurs (or, if the date of loss or destruction is not known, the date on which the relevant Aircraft was last heard of); (B) in the case of a constructive, compromised, arranged or agreed total loss, the earlier of (1) the date 30 days after the date on which notice claiming such total loss is issued to the insurers or brokers and (2) the date on which such loss is agreed or compromised by the insurers; (C) in the case of requisition for title, confiscation, restraint, detention, forfeiture, compulsory acquisition or seizure, the date on which the same takes effect; (D) in the case of a requisition for hire, the expiration of a period of 180 days from the date on which such requisition commenced (or, if earlier, the date upon which insurers make payment on the basis of a Total Loss); or (E) in the case of clause (iv) above, the final day of the period of 30 consecutive days referred to therein.

"Total Loss Proceeds" means, in relation to an Aircraft, the total net proceeds of the insurance and reinsurance paid in respect of a Total Loss thereof and includes, in the case of a Total Loss of an airframe which does not involve the Total Loss of all Engines or Parts installed thereon at the time when such Total Loss occurred, the net sale proceeds of any such surviving Engines or Parts.

"Trustee" means, with respect to each subclass of Notes the Person appointed, at the time of determination, as the trustee of such subclass of Notes in accordance with this Indenture. The initial Trustee for each subclass of Notes is Deutsche Bank Trust Company Americas.

"U.S. Government Obligations" has the meaning given to such term in Section 11.02.

"War Risk Coverage" has the meaning given to that term in Exhibit D.

"Written Notice" means, with reference to the Issuer, the Trustee, the Cash Manager, the Operating Bank, the Administrative Agent or the provider of any Eligible Credit Facility, a written instrument executed by a Responsible Officer of such Person.

Section 1.02 Rules of Construction. Unless the context otherwise requires:

(a) A term has the meaning assigned to it and an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP.

(b) The terms "herein", "hereof" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

(c) Unless otherwise indicated in context, all references to Articles, Sections, Schedules or Exhibits refer to an Article or Section of, or a Schedule or Exhibit to, this Indenture.

(d) Words of the masculine, feminine or neuter gender shall mean and include the correlative words of other genders, and

words in the singular shall include the plural, and vice versa.

(e) The terms "include", "including" and similar terms shall be construed as if followed by the phrase "without limitation".

(f) Unless otherwise indicated, references to a subclass of Notes shall be to the Class G-3 Notes, the Class E-1 Notes, the Class E-2 Notes, or to another subclass of Refinancing Notes or Additional Notes, as applicable; and references to a class of Notes shall be to the Class G Notes and Class E Notes, or to a class of Refinancing Notes or Additional Notes, as applicable.

(g) References in this Indenture to an agreement or other document (including this Indenture) include references to such agreement or document as amended, replaced or otherwise modified (without, however, limiting the effect of the provisions of this Indenture with regard to any such amendment, replacement or modification), and the provisions of this Indenture apply to successive events and transactions. References to any Person shall include such Person's successors in interest and permitted assigns.

(h) References in this Indenture to any statute or other legislative provision shall include any statutory or legislative modification or re-enactment thereof, or any substitution therefor, and references to any governmental Person shall include reference to any governmental Person succeeding to the relevant functions of such Person.

(i) References in this Indenture to the Notes of any class or subclass include the conditions applicable to the Notes of such class or subclass; and any reference to any amount of money due or payable by reference to the Notes of any class or subclass shall include any sum covenanted to be paid by the Issuer under this Indenture.

(j) References in this Indenture to any action, remedy or method of judicial proceeding for the enforcement of the rights of creditors or of security shall be deemed to include, in respect of any jurisdiction other than the state of New York, references to such action, remedy or method of judicial proceeding for the enforcement of the rights of creditors or of security available or appropriate in such jurisdiction as shall most nearly approximate such action, remedy or method of judicial proceeding described or referred to in this Indenture.

(k) Where any payment is to be made, funds applied or any calculation is to be made hereunder on a day which is not a Business Day, unless any Related Document otherwise provides, such payment shall be made, funds applied and calculation made on the next succeeding Business Day, and payments shall be adjusted accordingly. Where any calculation is to be made hereunder on a Calculation Date or any amount hereunder is in respect of a Calculation Date, such calculation shall be made as of the close of business on such Calculation Date and such amount shall be in respect of the close of business on such Calculation Date.

Section 1.03 Compliance Certificates and Opinions. Upon any application or request by the Issuer to the Trustee to take any action under any provision of this Indenture, the Issuer shall furnish to the Trustee an Officer's Certificate stating that, in the opinion of the signers thereof, all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with, and an Opinion of Counsel stating that, in the opinion of such counsel, all such conditions precedent, if any, have been complied with, except that in the case of any such application or request as to which the furnishing of such documents is specifically required by any provision of this Indenture relating to such particular application or request, no additional certificate or opinion need be furnished.

Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture or any indenture supplemental hereto shall include:

(a) a statement that each individual signing such certificate or opinion has read such covenant or condition and the definitions in this Indenture relating thereto;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(c) a statement that, in the opinion of each such individual, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(d) a statement as to whether, in the opinion of each such individual, such condition or covenant has been complied with.

Section 1.04 Acts of Holders. (a) Any direction, consent, waiver or other action provided by this Indenture in respect of the Notes of any subclass to be given or taken by Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by an agent or proxy duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Trustee, to each Rating Agency where it is hereby expressly required pursuant to this Indenture and to the Issuer. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Holders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose under this Indenture and conclusive in favor of the Trustee or the Issuer, if made in the manner provided in this Section.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved by the certificate of any notary public or other officer of any jurisdiction authorized to take acknowledgments of deeds or administer oaths that the Person executing such instrument acknowledged to him the execution thereof, or by an affidavit of a witness to such execution sworn to before any such notary or such other officer and where such execution is by an officer of a corporation or association, trustee of a trust or member of a partnership, on behalf of such corporation, association, trust or partnership, such certificate or affidavit shall also constitute sufficient

proof of his authority. The fact and date of the execution of any such instrument or writing, or the authority of the Person executing the same, may also be proved in any other reasonable manner which the Trustee deems sufficient.

(c) In determining whether the Holders have given any direction, consent, request, demand, authorization, notice, waiver or other Act (a "Direction"), under this Indenture, Notes owned by the Issuer or any Affiliate of any such Person shall be disregarded and deemed not to be Outstanding for purposes of any such determination. In determining whether the Trustee shall be protected in relying upon any such

Direction, only Notes which a Responsible Officer of the Trustee actually knows to be so owned shall be so disregarded. Notwithstanding the foregoing, (i) if any such Person owns 100% of the Notes of any subclass Outstanding, such Notes shall not be so disregarded as aforesaid, and (ii) if any amount of Notes of such subclass so owned by any such Person have been pledged in good faith, such Notes shall not be disregarded as aforesaid if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Notes and that the pledgee is not the Issuer or any Affiliate of any such Person.

(d) The Issuer may at its option, by delivery of Officers' Certificates to the Trustee, set a record date other than the Record Date to determine the Holders in respect of the Notes of any subclass entitled to give any Direction in respect of such Notes. Such record date shall be the record date specified in such Officer's Certificate which shall be a date not more than 30 days prior to the first solicitation of Holders in connection therewith. If such a record date is fixed, such Direction may be given before or after such record date, but only the Holders of record of the applicable subclass at the close of business on such record date shall be deemed to be Holders for the purposes of determining whether Holders of the requisite proportion of Outstanding Notes of such subclass have authorized or agreed or consented to such Direction, and for that purpose the Outstanding Notes of such subclass shall be computed as of such record date; *provided* that no such Direction by the Holders on such record date shall be deemed effective unless it shall become effective pursuant to the provisions of this Indenture not later than one year after the record date.

(e) Any Direction or other action by the Holder of any Note shall bind the Holder of every Note issued upon the transfer thereof or in exchange therefor or in lieu thereof, whether or not notation of such action is made upon such Note.

ARTICLE II

THE NOTES

Section 2.01 Authorized Amount; Terms; Form; Execution and Delivery. (a) The Outstanding Principal Balance of any subclass of Notes which may be authenticated and delivered from time to time under this Indenture shall not exceed the initial Outstanding Principal Balance set forth for such subclass of Notes in the definition thereof or, with respect to any subclass of Refinancing Notes or Additional Notes, authorized in a Board Resolution; *provided* that at no time may the Outstanding Principal Balance of any subclass of Refinancing Notes exceed the Redemption Price of the subclass of Notes being refinanced thereby plus Refinancing Expenses relating thereto, any Policy Premium due and payable to the Policy Provider (in the event that such subclass of Refinancing Notes shall be covered by the Policy) and any amount to be deposited in any Cash Collateral Account for such Refinancing Notes; and *provided*, *further*, that any Additional Notes shall be issued in accordance with Section 2.11. All Notes of any class need not be issued at the same time and any class of Notes may be reopened, without the consent of any Holder, for issuances of Additional Notes or Refinancing Notes of such class, subject in all cases to Sections 2.10, 2.11, 3.10, 3.12 and 5.02 and any other applicable provision of this Indenture.

The Second Issuance Notes shall be issued on the Second Closing Date in two subclasses and shall be designated the Class G-3 Notes and the Class E-2 Notes. Additional subclasses of Class G Notes and Class E Notes may be issued at any time after the Second Closing Date in accordance with the applicable provisions of this Indenture.

Interest at the Applicable Rate of Interest shall accrue on any subclass of the Floating Rate Notes from the relevant Closing Date and shall be computed for each Interest Accrual Period on the basis of a 360-day year and the actual number of days elapsed in such Interest Accrual Period on the Outstanding

Principal Balance of such Notes on the first day of such Interest Accrual Period. Interest at the Applicable Rate of Interest shall accrue on any subclass of the Fixed Rate Notes from the relevant Closing Date and shall be computed for each Interest Accrual Period on the basis of a 360-day year and one-twelfth of an annual interest payment on the Outstanding Principal Balance of such Notes on the first day of such Interest Accrual Period and, in the case of the first Interest Accrual Period, on the basis of a 360-day year consisting of twelve 30-day months.

Any amount of interest on any subclass of Notes not paid when due shall, to the fullest extent permitted by applicable law, bear interest at an interest rate per annum equal to the Applicable Rate of Interest for such Notes from the date when due until such amount is paid or duly provided for, payable on the next succeeding Payment Date, subject to the availability of the Available Collections therefor in accordance with the priority of payments under Section 3.09.

(b) There shall be issued and delivered and authenticated on the relevant Closing Date, to each of the Holders, Notes in the principal amounts and maturities and bearing the interest rates, in each case substantially in the form set forth in the applicable exhibit to this Indenture or in any indenture supplemental hereto, with such appropriate insertions, omissions, substitutions and other variations as

are required or permitted by this Indenture, and may have such letters, numbers or other marks of identification and such legends or endorsements printed, lithographed or engraved thereon, as may be required to comply with the rules of any securities exchange on which such Notes may be listed or to conform to any usage in respect thereof, or as may, consistently herewith, be prescribed by the Director executing such Notes, such determination by the Director to be evidenced by his or her execution of the Notes.

Definitive Notes of each subclass shall be printed, lithographed or engraved or produced by any combination of these methods or may be produced in any other manner permitted by the rules of any securities exchange on which the Notes may be listed, all as determined by the Director or other authorized officer executing such Notes, as evidenced by his or her execution of such Notes.

Each subclass of Notes (other than the Class E Notes) offered and sold in reliance on Rule 144A shall be issued initially in the form of one or more permanent global Notes in bearer form without interest coupons, substantially in the form set forth in the applicable exhibit to this Indenture or in any indenture supplemental hereto (each, a "Rule 144A Global Note"), deposited with the Depositary or a custodian therefor in accordance with the Deposit Agreement and duly executed by the Issuer and authenticated by the Trustee as hereinafter provided. The aggregate principal amount of each Rule 144A Global Note may from time to time be increased or decreased by adjustments made by the Trustee on the applicable Global Note or on the records of the Trustee as hereinafter provided.

Each subclass of Notes (other than the Class E Notes) offered and sold to Institutional Accredited Investors in reliance on Section 4(2) of the Securities Act (other than in reliance on Rule 144A) shall be issued initially in the form of one or more permanent global Notes in bearer form without interest coupons, substantially in the form set forth in the applicable exhibit to this Indenture or in any indenture supplemental hereto (each, an "IAI Global Note"), deposited with the Depositary or a custodian therefor in accordance with the Deposit Agreement and duly executed by the Issuer and authenticated by the Trustee as hereinafter provided. The aggregate principal amount of each IAI Global Note may from time to time be increased or decreased by adjustments made by the Trustee on the applicable Global Note or on the records of the Trustee as hereinafter provided.

Each subclass of Notes (other than the Class E Notes) offered and sold in offshore transactions in reliance on Regulation S shall be issued initially in the form of one or more permanent global Notes in bearer form without interest coupons, substantially in the form set forth in the applicable exhibit to this

Indenture or in any indenture supplemental hereto (each, a "Regulation S Global Note"), deposited with the Depositary or a custodian therefor in accordance with the Deposit Agreement and duly executed by the Issuer and authenticated by the Trustee as hereinafter provided. Until the 40th day after the later of the commencement of the offer of any subclass of Notes initially issued in the form of a Regulation S Global Note or the Closing Date of the offering of such Notes, interests in such Regulation S Global Note may be held only through Participants acting for and on behalf of Euroclear and Clearstream. The aggregate principal amount of each Regulation S Global Note may from time to time be increased or decreased by adjustments made by the Trustee on the applicable Global Note or on the records of the Trustee as hereinafter provided.

Each subclass of Class E Notes shall be issued in registered form as Definitive Notes without interest coupons, substantially in the form set forth in Exhibit B to this Indenture or in any indenture supplemental hereto.

(c) On the date of any Refinancing, the Issuer shall issue and deliver as provided in Section 2.10 an aggregate principal amount of Refinancing Notes having the maturities and bearing the interest rates and such other terms authorized by one or more Board Resolutions or in any indenture supplemental hereto providing for the issuance of such Notes or specified in the form of such Notes, in each case in accordance with Section 2.10.

(d) On the date of the issuance, if any, of any Additional Notes, the Issuer shall issue and deliver, as provided in Sections 2.11 and 5.02(f), an aggregate principal amount of Additional Notes having the maturities and bearing the interest rates and such other terms authorized by one or more Board Resolutions or in any indenture supplemental hereto providing for the issuance of such Notes or specified in the form of such Notes, in each case in accordance with Section 2.11.

(e) The Notes shall be executed on behalf of the Issuer by the manual or facsimile signature of a Director or other authorized officer.

(f) Each Note bearing the manual or facsimile signatures of any individual who was at the time such Note was executed a Director shall bind the Issuer, notwithstanding that any such individual has ceased to hold such office prior to the authentication and delivery of such Notes or any payment thereon.

(g) At any time and from time to time after the execution of any Notes, the Issuer may deliver such Notes to the Trustee for authentication and, subject to the provisions of clause (h) below, the Trustee shall authenticate such Notes by manual or facsimile signature upon receipt by it of written orders of the Issuer. The Notes shall be authenticated on behalf of the Trustee by any Responsible Officer of the Trustee.

(h) No Note shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose, unless it shall have been executed on behalf of the Issuer as provided in clause (e) above and authenticated by or on behalf of the Trustee as provided in clause (g) above. Such signatures shall be conclusive evidence that such Note has been duly executed and authenticated under this Indenture. Each Note shall be dated the date of its authentication.

(i) The Issuer shall execute and the Trustee shall, in accordance with this Section 2.01, authenticate the Global Notes and deliver the Global Notes to the Depositary. Upon receipt by the Depositary or a custodian therefor of each Rule 144A Global Note or

Regulation S Global Note authenticated and delivered by the Trustee, the Issuer shall, in accordance with the terms of the Deposit Agreement, cause the Depositary, acting as agent for the Issuer, to issue to the Securities Depository a

Depositary Interest in such Global Note by recording such Depositary Interest in the register of the Depositary in the name of Cede & Co., as nominee of the Securities Depository, or such other nominee as the Securities Depository shall specify. Upon receipt by the Depositary or a custodian therefor of each IAI Global Note authenticated and delivered by the Trustee, the Issuer shall, in accordance with the terms of the Deposit Agreement, cause the Depositary, acting as agent for the Issuer, to issue to the Institutional Accredited Investors Definitive Interests in such IAI Global Note and to record such Definitive Interest in the records of the Depositary in the name of the Institutional Accredited Investors. The Securities Depository will credit, on its internal system, the respective principal amounts of individual Book-Entry Interests to the accounts of persons who have accounts with the Securities Depository. Ownership of Book-Entry Interests will be limited to Participants or persons who hold Book-Entry Interests through Participants. Ownership of Book-Entry Interests will be shown on, and the transfer of that ownership will be effected only through, records maintained by the Securities Depository (with respect to interests of Participants) and the records of Participants (with respect to interests of persons other than Participants). Transfers of ownership of Definitive Interests shall be recorded by the Depositary in its records.

Neither the Securities Depository nor its Participants shall have any rights either under this Indenture or under any Global Note held on their behalf by the Depositary. The Holder of any Global Note may be treated by the Issuer, the Trustee and any agent of the Issuer or the Trustee as the absolute owner of such Global Note for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Issuer, the Trustee or any agent of the Issuer or the Trustee from giving effect to any written certification, proxy or other authorization furnished by the Depositary, as a Holder, or impair, as between the Depositary, as a Holder and the Securities Depository and its Participants, the operation of customary practices of such Securities Depository governing the exercise of the rights of an owner of a Book-Entry Interest in any Global Note. The Depositary, as a Holder, may grant proxies and otherwise authorize any person, including the Securities Depository and the Participants and persons that may hold interests through Participants, to take any action which a Holder is entitled to take under this Indenture or the Notes.

Section 2.02 Restrictive Legends. (a) Each Global Note and, except as provided in Section 2.13(f), each Definitive Note (and all Notes issued in exchange therefor or upon registration of transfer or substitution thereof), except as provided in Section 2.13(f), shall bear the following legend (in addition to any other applicable legends or restrictions) on the face thereof:

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY IN ANY JURISDICTION AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) AND HAS ACQUIRED THE NOTE IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, OR (B) IT IS AN INSTITUTIONAL "ACCREDITED INVESTOR" (AS DEFINED IN RULE 501(a)(1), (2), (3) OR (7) OF REGULATION D UNDER THE SECURITIES ACT) OR AN ENTITY, ALL OF THE EQUITY OWNERS OF WHICH ARE INSTITUTIONAL ACCREDITED INVESTORS (AN "INSTITUTIONAL ACCREDITED INVESTOR"), (C) IT IS NOT A U.S. PERSON (WITHIN THE MEANING OF THE SECURITIES ACT) AND IS ACQUIRING THIS NOTE IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT, OR (D) IT HAS ACQUIRED THE NOTES PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT OR PURSUANT TO ANOTHER AVAILABLE EXEMPTION

FROM REGISTRATION UNDER THE SECURITIES ACT, AND, IN EACH OF THE CASES (A) THROUGH (D) ABOVE, IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAW OF ANY STATE IN THE UNITED STATES OR ANY APPLICABLE JURISDICTION; (2) AGREES THAT IT WILL NOT BEFORE TWO YEARS AFTER THE LATER OF THE ORIGINAL ISSUE DATE OF THIS NOTE AND THE LAST DATE THAT AIRCRAFT LEASE SECURITISATION LIMITED (THE "ISSUER") OR ANY OF ITS AFFILIATES OWNED THIS NOTE, RESELL OR OTHERWISE TRANSFER THIS NOTE EXCEPT (A) TO THE ISSUER, (B) TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT, (C) TO AN INSTITUTIONAL ACCREDITED INVESTOR THAT, PRIOR TO SUCH TRANSFER, FURNISHES TO THE TRUSTEE A SIGNED LETTER CONTAINING CERTAIN REPRESENTATIONS AND AGREEMENTS RELATING TO THE RESTRICTIONS ON TRANSFER OF THIS NOTE (THE FORM OF WHICH LETTER CAN BE OBTAINED FROM THE TRUSTEE AND THE DEPOSITARY) AND AN OPINION OF COUNSEL ACCEPTABLE TO THE ISSUER THAT SUCH TRANSFER IS IN COMPLIANCE WITH THE SECURITIES ACT, (D) IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE SECURITIES ACT OR (E) PURSUANT TO AN EXEMPTION FROM REGISTRATION IN ACCORDANCE WITH RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT, AND, IN EACH OF THE CASES (A) THROUGH (E) ABOVE, IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE IN THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION; AND (3) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS NOTE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. IN CONNECTION WITH ANY TRANSFER OF THIS NOTE WITHIN THE TWO-YEAR PERIOD REFERRED TO ABOVE, THE HOLDER MUST CHECK THE APPROPRIATE BOX SET FORTH ON THE TRANSFER NOTICE ATTACHED HERETO AND SUBMIT SUCH TRANSFER NOTICE TO THE TRUSTEE. IF THE PROPOSED TRANSFEREE IS AN INSTITUTIONAL ACCREDITED

INVESTOR OR THE PROPOSED TRANSFER IS PURSUANT TO AN EXEMPTION FROM REGISTRATION IN ACCORDANCE WITH RULE 144 UNDER THE SECURITIES ACT, OR PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OTHER THAN RULE 144A OR REGULATION S UNDER THE SECURITIES ACT, THE HOLDER MUST, PRIOR TO SUCH TRANSFER, FURNISH TO THE TRUSTEE AND THE ISSUER SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS EITHER OF THEM MAY REASONABLY REQUIRE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

(b) Each Definitive Note (except as provided in Section 2.13(f)) shall also bear the following legend on the face thereof:

IN CONNECTION WITH ANY TRANSFER, THE HOLDER WILL DELIVER TO THE REGISTRAR SUCH CERTIFICATES AND OTHER INFORMATION AS IT MAY REASONABLY REQUIRE TO CONFIRM THAT THE TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS AND THE OTHER RESTRICTIONS CONTAINED IN THE INDENTURE.

(c) Each Class G-3 Note shall also bear the following legends on the face thereof (to be added preceding the second to last sentence of the legend set forth in Section 2.02(a) hereof):

IN ADDITION, THIS NOTE MAY NOT BE OFFERED OR SOLD TO ANY PERSON RESIDENT OR INCORPORATED IN IRELAND OR ANY PERSON WHICH WILL HOLD THIS NOTE THROUGH A BRANCH, AGENCY OR OTHER PLACE OF BUSINESS ESTABLISHED IN IRELAND.

BY ITS ACQUISITION HEREOF, THE HOLDER REPRESENTS AND AGREES THAT EITHER (A) IT IS NOT AN "EMPLOYEE BENEFIT PLAN" AS DEFINED IN SECTION 3(3) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY REQUIREMENTS OF TITLE I OF ERISA, A "PLAN" AS DESCRIBED IN SECTION 4975(E)(1) OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" PURSUANT TO 29 C.F.R. SECTION 2510.3-101 OR OTHERWISE OR A GOVERNMENTAL, NON-U.S., CHURCH OR OTHER PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("SIMILAR LAW") OR (B) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR, IN THE CASE OF A GOVERNMENTAL, NON-U.S., CHURCH OR OTHER PLAN, A VIOLATION OF ANY SIMILAR LAW. AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION," "UNITED STATES" AND "U.S. PERSON" HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT. THE INDENTURE CONTAINS A PROVISION REQUIRING THE TRUSTEE TO REFUSE TO REGISTER ANY TRANSFER OF THIS NOTE IN VIOLATION OF THE FOREGOING RESTRICTIONS.

(d) Each Class E Note shall also bear the following legend on the face thereof (to be added preceding the second to last sentence of the legend set forth in Section 2.02(a) hereof):

IN ADDITION, PRIOR TO ANY TRANSFER OF THIS NOTE, THE TRUSTEE AND THE ISSUER MUST RECEIVE AN OPINION OF COUNSEL FROM COUNSEL TO THE ISSUER IN THE UNITED STATES AND AN OPINION FROM THE TAX ADVISORS TO THE ISSUER IN IRELAND, IN EACH CASE TO THE EFFECT THAT NO ISSUER GROUP MEMBER (AS DEFINED IN THE INDENTURE) SHOULD SUFFER MATERIALLY ADVERSE IRISH OR UNITED STATES TAXES AS A RESULT OF THE TRANSFER. BY ITS ACQUISITION HEREOF, THE HOLDER REPRESENTS AND AGREES THAT IT IS NOT AN "EMPLOYEE BENEFIT PLAN" AS DEFINED IN SECTION 3(3) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY REQUIREMENTS OF TITLE I OF ERISA, A "PLAN" AS DESCRIBED IN SECTION 4975(E)(1) OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" PURSUANT TO 29 C.F.R. SECTION 2510.3-101 OR OTHERWISE OR A GOVERNMENTAL, NON-U.S., CHURCH OR OTHER PLAN

WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE. AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION," "UNITED STATES" AND "U.S. PERSON" HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT. THE INDENTURE CONTAINS A PROVISION REQUIRING THE TRUSTEE TO REFUSE TO REGISTER ANY TRANSFER OF THIS NOTE IN VIOLATION OF THE FOREGOING RESTRICTIONS.

Section 2.03 Registrar and Paying Agent. (a) With respect to each subclass of Notes, there shall at all times be maintained (i) an office or agency in the location set forth in Section 12.05 where Definitive Notes of such subclass may be presented or surrendered for registration of transfer or for exchange (the "Registrar"), (ii) an office or agency in the location set forth in Section 12.05, other than

Ireland, where Notes of any subclass may, to the extent required hereunder, be presented for payment (each, a "Paying Agent") and (iii) an office or agency where notices and demands in respect of the payment of such Notes may be served. For so long as any Notes are admitted to the Official List of the Irish Stock Exchange and to trading on its unregulated market, the Issuer shall appoint and maintain a Paying Agent in Ireland (the "Irish Paying Agent"). The Issuer shall cause the Registrar to keep a register of each subclass of Definitive Notes and of their transfer and exchange (the "Register"). Written notice of any change of location of such office or agency shall be given by the Trustee to the Issuer and the Holders of such subclass. In the event that no such office or agency shall be maintained or no such notice of location or of change of location shall be given, presentations and demands may be made and notices may be served at the Corporate Trust Office of the Trustee.

(b) Each Authorized Agent shall be a bank or trust company, shall be a corporation organized and doing business under the laws of the United States or any state or territory thereof or of the District of Columbia, with a combined capital and surplus of at least $75,000,000 (or having a combined capital and surplus in excess of $5,000,000 and the obligations of which, whether now in existence or hereafter incurred, are fully and unconditionally Guaranteed by a corporation organized and doing business under the laws of the United States, any state or territory thereof or of the District of Columbia and having a combined capital and surplus of at least $75,000,000) and shall be authorized under the laws of the United States or any state or territory thereof to exercise corporate trust powers, subject to supervision by Federal or state authorities (such requirements, the "Eligibility Requirements"). The Trustee shall initially be a Paying Agent and Registrar hereunder with respect to the Notes of each subclass.

(c) Any corporation into which any Authorized Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, consolidation or conversion to which any Authorized Agent shall be a party, or any corporation succeeding to the corporate trust business of any Authorized Agent, shall be the successor of such Authorized Agent hereunder, if such successor corporation is otherwise eligible under this Section, without the execution or filing of any paper or any further act on the part of the parties hereto or such Authorized Agent or such successor corporation.

(d) Any Authorized Agent may at any time resign by giving written notice of resignation to the Trustee and the Issuer. The Issuer may, and at the request of the Trustee shall, at any time terminate the agency of any Authorized Agent by giving written notice of termination to such Authorized Agent and to the Trustee. Upon the resignation or termination of an Authorized Agent or if at any time any such Authorized Agent shall cease to be eligible under this Section (when, in either case, no other Authorized Agent performing the functions of such Authorized Agent shall have been appointed by the Trustee), the Issuer shall promptly appoint one or more qualified successor Authorized Agents, reasonably satisfactory

to the Trustee, to perform the functions of the Authorized Agent which has resigned or whose agency has been terminated or who shall have ceased to be eligible under this Section. The Issuer shall give written notice of any such appointment made by it to the Trustee; and in each case the Trustee shall mail notice of such appointment to all Holders of the related subclass as their names and addresses appear on the Register for such subclass.

(e) The Issuer agrees to pay, or cause to be paid, from time to time to each Authorized Agent reasonable compensation for its services and to reimburse it for its reasonable expenses to be agreed to pursuant to separate agreements with each such Authorized Agent.

Section 2.04 Paying Agent to Hold Money in Trust. The Trustee shall require each Paying Agent other than the Trustee to agree in writing that all moneys deposited with any Paying Agent for the purpose of any payment on the Notes or to the Policy Provider shall be deposited and held in trust for the benefit of the Holders (with regard to payments on the Notes) or the Policy Provider, as the case may be, subject to the provisions of this Section. Moneys so deposited and held in trust shall constitute a separate trust fund for the benefit of the Holders with respect to which such money was deposited.

The Trustee may at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture or for any other purpose, direct any Paying Agent to pay to the Trustee all sums held in trust by such Paying Agent; and, upon such payment by any Paying Agent to the Trustee, such Paying Agent shall be released from all further liability with respect to such money.

Section 2.05 Method of Payment. (a) On each Payment Date, the Trustee shall, or shall instruct a Paying Agent (other than the Irish Paying Agent) to, pay, to the extent of the Available Collections therefor transferred to a Note Account, to the Holders all principal, Redemption Price or Outstanding Principal Balance of, and interest on, the Notes of each subclass (other than payments received following an Event of Default in respect of any subclass of Notes and payments on Notes issued in the form of Definitive Notes); *provided*, that in the event and to the extent receipt of any payment is not confirmed by the Trustee or Paying Agent (other than the Irish Paying Agent) by 1:00 p.m. (New York City time) on such Payment Date or any Business Day thereafter, distribution thereof shall be made on the Business Day following the Business Day such payment is received.

(b) Payments on a Payment Date with respect to (i) any Notes in the form of Global Notes shall be made by wire transfer to or as instructed by the Depositary at least five Business Days before the applicable Payment Date so long as it is the Holder thereof and (ii) Notes in the form of Definitive Notes shall be made by check mailed to each Holder of a Definitive Note determined on the applicable Record Date, at its address appearing in the applicable Register; alternatively, Holders of Definitive Notes having an aggregate principal amount of not less than $1,000,000, upon application in writing to the Trustee, not later than the applicable Record Date, may have such payment made by wire transfer to an account designated by such Holder at a financial institution in New York, New York. The final payment with respect to any Global Note or Definitive Note, however, shall be made only upon presentation and surrender of such Note by the Holder or its agent at the Corporate Trust Office or agency of the Trustee or Paying Agent (other than the Irish Paying Agent) specified in the notice given by the Trustee or Paying Agent with respect to such final payment. The Trustee or Paying Agent (other than the Irish Paying Agent) shall mail such notice of the final payment of each Note to the Holder thereof, specifying the date and amount of

such final payment, no later than five Business Days prior to such final payment and such notice shall also be published by such publication as the Irish Stock Exchange may require and in such other publication as the Irish Paying Agent may determine to comply with its obligations hereunder.

Section 2.06 Minimum Denomination. Each subclass of Class G Notes shall be issued in minimum denominations of $200,000 and integral multiples of $1,000 in excess thereof. Each subclass of Class E Notes shall be issued in minimum denominations of $1,000,000.

Section 2.07 Transfer and Exchange; Cancellation. (a) Certain Transfers and Exchanges. Transfer of any Global Note shall be by delivery. The Issuer represents that it has agreed with the Depositary that a Global Note and the corresponding Depositary Interests and Definitive Interests therein shall only be transferred in the circumstances described in the Deposit Agreement. All Global Notes will be exchanged by the Issuer for Notes in definitive registered form substantially as set forth in the applicable exhibit to this Indenture (each, a "Definitive Note") if (i) in the case of Rule 144A Global Notes and Regulation S Global Notes, the Securities Depository notifies the Depositary in writing that it is no longer willing or able to properly discharge its responsibilities as depository with respect to the Depositary Interests and a successor depositary is not appointed in accordance with the terms of the Deposit Agreement by the Depositary at the request of the Issuer within 90 days of such notice, (ii) the Issuer or the Depositary advises the Trustee in writing that the Depositary is no longer willing or able to properly discharge its responsibilities as depositary and the Issuer is unable to appoint a successor depositary acceptable to the Trustee within 90 days of such notice or (iii) after the occurrence of an Event of Default with respect to any subclass of Notes, owners of Book-Entry Interests and Definitive Interests of such subclass representing an aggregate of not less than 51% of the aggregate Outstanding Principal Balance of Notes of such subclass advise the Issuer, the Trustee, the Depositary and the Securities Depository through the Participants in writing that the continuation of a book-entry system through the Securities Depository (or a successor thereto) is no longer in the best interests of such owners. Upon surrender to the Trustee of the Global Notes of any subclass, accompanied by registration instructions from the Holder of such Global Note as provided in the Deposit Agreement, the Issuer shall issue and the Trustee shall authenticate and deliver the Definitive Notes of such subclass to the owners of interests thereon.

None of the Issuer, the Paying Agent or the Trustee shall be liable for any delay in delivery of such registration instructions and may conclusively rely on, and shall be fully protected in relying on, such instructions as provided in accordance with the terms of the Deposit Agreement. Upon the issuance of Definitive Notes of any subclass, the Trustee shall recognize the Persons in whose name the Definitive Notes are registered in the Register as Holders of such subclass hereunder. Neither the Issuer nor the Trustee shall be liable if the Trustee or the Issuer is unable to appoint a successor Securities Depository or Depositary.

The transfer and exchange of Book-Entry Interests for other Book-Entry Interests shall be effected through the Securities Depository, in accordance with this Indenture, the Deposit Agreement and the Applicable Procedures of the Securities Depository therefor. The transfer and exchange of Book-Entry Interests for Definitive Interests, of Definitive Interests for Book-Entry Interests or Definitive Interests for other Definitive Interests shall be effected through the Depositary, in accordance with this Indenture, the Deposit Agreement and the Applicable Procedures of the Securities Depository therefor, as applicable. Book-Entry Interests and Definitive Interests corresponding to Global Notes shall be subject to restrictions on transfer comparable to those set forth in Section 2.13 and elsewhere herein. The Trustee shall have no obligation to ascertain the Securities Depository's compliance with any such restrictions on transfer.

Any Book-Entry Interest or Definitive Interest corresponding to one of the Global Notes of any subclass that is transferred to a Person who will hold such Book-Entry Interest or Definitive Interest in the form of an interest in the other Global Note of such subclass will, upon transfer, cease to be an interest in such first Global Note and become an interest in such other Global Note and, accordingly, will thereafter

be subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests or Definitive Interests in such other Global Note for as long as it remains such an interest.

Global Notes may also be exchanged or replaced, in whole or in part, as provided in Sections 2.08 and 2.14. Every Note authenticated and delivered in exchange for, or in lieu of, a Global Note or any portion thereof pursuant to Section 2.08 shall be authenticated and delivered in the form of, and shall be, a Global Note in bearer form. A Global Note may not be exchanged for another Note other than as provided in Sections 2.07(a), 2.08 and 2.14.

(b) Transfer and Exchange of Definitive Notes. A Holder may transfer a Definitive Note only by written application to the Registrar stating the name of the proposed transferee and otherwise complying with the terms of this Indenture. No such transfer shall be effected until, and such transferee shall succeed to the rights of a Holder only upon, final acceptance and registration of the transfer by the Registrar in the Register.

Prior to the due presentment for registration of transfer of a Definitive Note, the Issuer and the Trustee may deem and treat the applicable registered Holder as the absolute owner and Holder of such Definitive Note for the purpose of receiving payment of all amounts payable with respect to such Definitive Note and for all other purposes and shall not be affected by any written notice to the contrary. The Registrar (if different from the Trustee) shall promptly notify the Trustee and the Trustee shall promptly notify the Issuer of each request for a registration of transfer of a Definitive Note.

When Definitive Notes are presented to the Registrar with a request to register their transfer or to exchange them for an equal principal amount of Definitive Notes of other authorized denominations, the Registrar shall register the transfer or make the exchange as requested if its requirements for such transactions are met (including, in the case of a transfer, that such Definitive Notes are duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Trustee and Registrar duly executed by the Holder thereof or by an attorney who is authorized in writing to act on behalf of the Holder). To permit registrations of transfers and exchanges, the Issuer shall execute and the Trustee shall authenticate Definitive Notes. Except as set forth in Sections 2.08 and 2.09, no service charge shall be made for any registration of transfer or exchange of any Definitive Notes.

The Issuer shall not be required to exchange or register the transfer of any Definitive Notes as above provided during the 15-day period preceding the Final Maturity Date of any such Notes or during the period after the first mailing of any notice of Redemption of Notes to be redeemed. The Issuer shall not be required to exchange or register the transfer of any Definitive Notes that have been selected, called or are being called for Redemption except, in the case of any Definitive Notes where notice has been given that such Definitive Notes are to be redeemed in part, the portion thereof not so to be redeemed.

(c) Cancellation. The Issuer at any time may deliver Notes to the Trustee for cancellation. Each Registrar and Paying Agent shall forward to the Trustee any Notes surrendered to them for transfer, exchange, payment or purchase. The Trustee and no one else shall cancel and destroy in accordance with its customary practices in effect from time to time any such Notes, together with any other Notes surrendered to it for registration of transfer, exchange or payment. The Issuer may not issue new Notes (other than Refinancing Notes issued in connection with any Refinancing) to replace Notes it has redeemed, paid or delivered to the Trustee for cancellation.

Section 2.08 Mutilated, Destroyed, Lost or Stolen Notes. If any Definitive Note or Global Note shall become mutilated, destroyed, lost or stolen, the Issuer shall, upon the written request of the Holder thereof and presentation of such Note or satisfactory evidence of destruction, loss or theft thereof to the Trustee or Registrar issue, and the Trustee shall authenticate and the Trustee or Registrar shall

deliver in exchange therefor or in replacement thereof, a new Definitive Note or Global Note of the same subclass, payable to such Holder in the same principal amount, of the same maturity, with the same payment schedule, bearing the same interest rate and dated the date of its authentication. If the Definitive Note or Global Note being replaced has become mutilated, such Note shall be surrendered to the Trustee or the Registrar and forwarded to the Issuer by the Trustee or the Registrar. If the Definitive Note or Global Note being replaced has been destroyed, lost or stolen, the Holder thereof shall furnish to the Issuer, the Trustee or the Registrar (a) such security or indemnity as may be required by them to save the Issuer, the Trustee and the Registrar harmless and (b) evidence satisfactory to the Issuer, the Trustee and the Registrar of the destruction, loss or theft of such Definitive Note or Global Note and of the ownership thereof. The Holder(s) will be required to pay any tax or other governmental charge imposed in connection with such exchange or replacement and any other expenses (including the fees and expenses of the Trustee and the Registrar) connected therewith.

Section 2.09 Payments of Transfer Taxes. Upon the transfer of any Note or Notes pursuant to Section 2.07, the Issuer or the Trustee may require from the party requesting such new Note or Notes payment of a sum to reimburse the Issuer or the Trustee for, or to provide funds for the payment of, any transfer tax or similar governmental charge payable in connection therewith.

Section 2.10 Refinancing of Class G Notes. (a) Subject to paragraphs (b), (c) and (d) below and Section 5.02(f)(ii), the Issuer may issue Refinancing Notes pursuant to this Indenture for the purpose of refinancing the Outstanding Principal Balance of any subclass of Class G Notes (including refinancings of Refinancing Notes) and/or Additional Notes. Each refinancing of any subclass of Class G Notes with the proceeds of an offering of Refinancing Notes (a "Refinancing") shall be authorized pursuant to one or more Board Resolutions and shall be effected only following a Rating Agency Confirmation and upon obtaining the prior written consent of the Policy Provider (unless the Policy Non-Consent Event has occurred or will occur in connection with such Refinancing) and the Initial Primary Liquidity Facility Provider (unless the Initial Primary Liquidity Facility Non-Consent Event has occurred or will occur in connection with such Refinancing). Each Refinancing Note shall constitute a "Note" for all purposes under this Indenture, and shall have the class or subclass designation and such further designations added or incorporated in such title as specified in the related Board Resolutions, in any indenture supplemental hereto providing for the issuance of such Notes or specified in the form of such Notes, as the case may be.

(b) A Refinancing of any subclass of Class G Notes in whole or in part may occur on any Business Day after the Second Closing Date (provided, that, any such Refinancing prior to the third anniversary of the Second Closing Date shall require the Policy Provider's consent whether or not a Policy Non-Consent Event will occur in connection with such refinancing) and shall be effected as an Optional Redemption pursuant to Section 3.11. On the date of any Refinancing, the Issuer shall issue and sell an aggregate principal amount of Refinancing Notes not to exceed the Redemption Price (including any LIBOR Break Costs) of the Notes being refinanced thereby plus the Refinancing Expenses relating thereto, any Policy Premium plus Policy Redemption Premium, if any, due and payable to the Policy Provider (in the event that such subclass of Refinancing Notes shall be covered by the Policy) and any amount to be deposited in any Cash Collateral Account for such Refinancing Notes. The proceeds of each sale of Refinancing Notes shall be used to make the deposit required by Section 3.11(d), to pay such Refinancing Expenses, any Policy Premium (in the event that such subclass of Refinancing Notes shall be covered by the Policy) plus Policy Redemption Premium, if any, due and payable to the Policy Provider and to fund such Cash Collateral Account.

(c) Each Refinancing Note shall contain such terms as may be established in or pursuant to the related Board Resolution (subject to Section 2.01), in any indenture supplemental hereto providing for the issuance of such Notes or specified in the form of such Notes to the extent permitted below, and shall have the same ranking pursuant to Section 3.09 with respect to all other Obligations as the Notes of the

class to which such Refinancing Notes belong (and, with respect to other subclasses of such class, as provided in Section 3.10). Prior to any Refinancing, any or all of the following, as applicable, with respect to the related issue of each subclass of Refinancing Notes shall have been determined by the Issuer and set forth in one or more Board Resolutions, in any indenture supplemental hereto or specified in the form of such Notes, as the case may be:

(i) the Class G Notes to be refinanced by such Refinancing Notes;

(ii) the aggregate principal amount of such Refinancing Notes that may be issued;

(iii) the proposed date of such Refinancing, subject to revocation or cancellation as provided in Section 3.11(e);

(iv) the Expected Final Payment Date and the Final Maturity Date of such Refinancing Notes;

(v) whether such Refinancing Notes are to have the benefit of any Eligible Credit Facility and, if so, the amount and other terms thereof and/or any increase in the Required Amount for any Cash Collateral Account;

(vi) the rate at which such Refinancing Notes shall bear interest or the method by which such rate shall be determined;

(vii) if other than denominations of $200,000 or higher integral multiples of $1,000 (with respect to Class G Notes) or $1,000,000 or higher (with respect to Class E Notes), the denomination or denominations in which such Refinancing Notes shall be issuable;

(viii) whether beneficial owners of interests in any such permanent global Refinancing Note may exchange such interests for Refinancing Notes of the same class or subclass and of like tenor of any authorized form and denomination and the circumstances under which any such exchanges may occur, if other than in the manner provided in Section 2.07, and the circumstances under which and the place or places where any such exchanges may be made and the identity of any initial depository therefor if not the Securities Depository;

(ix) any adjustments to be made, consistent with Sections 3.10 and 3.12, to the applicable Pool Factors as a result of the issuance of such Refinancing Notes;

(x) the class and subclass of Notes to which such Refinancing Notes belong;

(xi) whether such Refinancing Notes are to have the benefit of the Policy or other credit support as provided in clause (d) below; and

(xii) any other terms, conditions, rights and preferences (or limitations on such rights and preferences) relating to such Refinancing Notes (which terms shall comply with Applicable Law and not be inconsistent with the requirements or restrictions of this Indenture, including Section 5.02(f)(ii)).

If any of the terms of any issue of Refinancing Notes are established by action taken pursuant to one or more Board Resolutions, such Board Resolutions shall be delivered to the Trustee setting forth the terms of such Refinancing Notes.

(d) In connection with any Refinancing of a subclass of Class G Notes that has occurred with the prior written consent of the Policy Provider, each of the Policy and the Policy Provider Agreement shall be amended to cover such subclass of Class G Notes and the Policy Provider shall deliver a new Policy or amended Policy, as applicable, to the Trustee; *provided*, *however*, that notwithstanding anything to the contrary herein, no Class G Notes that are not covered by the Policy or substantially similar credit support (as determined by the Issuer with the prior consent of the Policy Provider) may be issued while the Policy remains outstanding (it being understood and agreed that new uninsured Class G Notes may be issued in accordance with Section 2.10(g)). In connection with the amendment of the Policy to cover the Refinancing Notes, the Policy Provider agrees to deliver to the Issuer, on or prior to the date of Refinancing, legal opinions and corporate documents in respect of the amended Policy, substantially similar in form, scope and substance to the legal opinions and corporate documents delivered by the Policy Provider on the Second Closing Date. The Policy Provider agrees that its rights of reimbursement in respect of the Policy Drawings under the amended Policy will be the same as its rights of reimbursement set forth in Section 3.09, and premium payable in respect of the amended Policy shall be on the same basis and terms as the Policy Premium and Policy Redemption Premium paid in respect of the Policy issued on the Second Closing Date (unless otherwise agreed to by the Issuer and the Policy Provider).

(e) In connection with any Refinancing of a subclass of Class G Notes that has occurred with the prior written consent of the Initial Primary Liquidity Facility Provider, the Initial Primary Liquidity Facility shall be amended to cover such subclass of Class G Notes and the Initial Primary Liquidity Facility Provider shall deliver a new Primary Liquidity Facility or amended Initial Primary Liquidity Facility, as applicable, to the Trustee. In connection with the amendment of the Initial Primary Liquidity Facility to cover the Refinancing Notes, the Initial Primary Liquidity Facility Provider agrees to deliver to the Issuer, on or prior to the date of Refinancing, legal opinions and corporate documents in respect of the amended Initial Primary Liquidity Facility, substantially similar in form, scope and substance to the legal opinions and corporate documents delivered by the Initial Primary Liquidity Facility Provider on the Second

Closing Date. The Initial Primary Liquidity Facility Provider agrees that its rights of reimbursement in respect of the drawings under the amended Initial Primary Liquidity Facility will be the same as its rights of reimbursement set forth in Section 3.09, and fees payable in respect of the amended Initial Primary Liquidity Facility shall be on the same basis and terms as the fees paid in respect of the Initial Primary Liquidity Facility entered into on the Second Closing Date.

(f) In connection with any Refinancing of a subclass of Class G Notes, the Issuer shall pay to all parties to the Related Documents all reasonable costs and expenses related thereto.

(g) Notwithstanding anything to the contrary herein, if the Glass G Notes are refinanced with Class G Notes that are not covered by the Policy, the issuance of such new uninsured Class G Notes shall be subject to the following conditions precedent:

(i) the payment in full of all outstanding Policy Provider Obligations to the Policy Provider; and

(ii) the return of the Policy to the Policy Provider for cancellation and termination.

Section 2.11 Additional Notes. (a) Subject to the next succeeding two sentences and paragraphs (b) and (c) below and Section 5.02(f)(iv) and, in the case of Additional Class E Notes, Section 5.02(f)(viii), as applicable, the Issuer may issue Additional Notes pursuant to this Indenture, the proceeds of which in each case shall be used to acquire Additional Aircraft or make Conversion Payments, as the case may be, or to make payments into a Cash Collateral Account or the Collections Account as Reserved Cash or to pay expenses related thereto (each, an "Additional Issuance"). Each

issuance of Additional Notes shall be authorized pursuant to one or more Board Resolutions and shall be effected only following a Rating Agency Confirmation and upon obtaining the prior written consent of the Policy Provider (unless the Policy Non-Consent Event has occurred) and the Initial Primary Liquidity Facility Provider (unless the Initial Primary Liquidity Facility Non-Consent Event has occurred), and the Holders of the Class E Notes. Each Additional Note shall constitute a "Security" for all purposes under this Indenture and shall have such subclass and such further designations added or incorporated in such title as specified in the related Board Resolutions, in any indenture supplemental hereto providing for the issuance of such Notes or specified in the form of such Notes, as the case may be.

(b) Each Additional Note shall contain such terms as may be established in or pursuant to the related Board Resolutions (subject to Section 2.01), in any indenture supplemental hereto providing for the issuance of such Notes or specified in the form of such Notes to the extent permitted below, and shall have the same ranking pursuant to Section 3.09 with respect to all other Obligations as the Notes of the class to which such Additional Notes belong (and, with respect to other subclasses of such class, as provided in Section 3.10). Prior to any issuance, any or all of the following, as applicable, with respect to the related Additional Issuance shall have been determined by the Issuer and set forth in such Board Resolutions, in any indenture supplemental hereto or specified in the form of such Securities, as the case may be:

(i) the subclass of Additional Notes to be issued;

(ii) with respect to each such subclass of Additional Notes:

(A) the aggregate principal amount of any such Additional Notes which may be issued;

(B) the proposed date of such Additional Issuance;

(C) the Expected Final Payment Date and the Final Maturity Date of any such Additional Notes;

(D) whether any such Additional Notes are to have the benefit of any Eligible Credit Facility or other credit support and/or any increase in Required Amount for any Cash Collateral Account for the related class or classes of Notes and, if so, the amount and terms thereof;

(E) the rate at which any such Additional Notes shall bear interest or the method by which such rate shall be determined;

(F) if other than denominations of $200,000 or higher integral multiples of $1,000 (with respect to Class G Notes) or $1,000,000 or higher (with respect to Class E Notes), the denomination or denominations in which any such Additional Notes shall be issuable;

(G) any adjustments to be made, consistent with Sections 3.10 and 3.12, to the applicable Pool Factors as result of the issuance of any such Additional Notes; and

(H) any other terms, conditions, rights and preferences (or limitations on such rights and preferences) relating to any such Additional Notes (which terms shall comply with Applicable Law and not be inconsistent with the requirements or restrictions of this Indenture, including Section 5.02(f));

(iii) to what extent the proceeds of such Additional Notes are to be used to acquire Additional Aircraft or to make Conversion Payments, or both, and:

(A) in the case of Additional Aircraft, a description of such Additional Aircraft and the Expected Useful Life of such Additional Aircraft; and

(B) in the case of Conversion Payments, a description of the Aircraft to be converted and the Expected Useful Life of such Aircraft.

If any of the terms of any issue of any such Additional Notes are established by action taken pursuant to one or more Board Resolutions, such Board Resolutions shall be delivered to the Trustee setting forth the terms of such Additional Notes.

(c) In the event Additional Notes are issued as Class G Notes with the prior consent of the Policy Provider, each of the Policy and the Policy Provider Agreement shall be amended to cover such Additional Notes and the Policy Provider shall deliver a new Policy or amended Policy, as applicable, to the Trustee; *provided*, *however*, that, notwithstanding anything to the contrary herein, no Class G Notes that are not covered by the Policy or substantially similar credit support (as determined by the Issuer, with the consent of the Policy Provider) may be issued while the Policy remains outstanding (it being understood and agreed that new uninsured Class G Notes may be issued in accordance with Section 2.10(g)). In connection with any such issuance of Additional Notes as a subclass of Class G Notes and amendment of the Policy, the Policy Provider agrees to deliver to the Issuer, on or prior to the date of issuance, legal opinions and corporate documents in respect of the amended Policy, substantially similar in form, scope and substance to the legal opinions and corporate documents delivered by the Policy Provider on the Second Closing Date. The Policy Provider agrees that its rights of reimbursement in respect of any Policy Drawings under the amended Policy will be the same as its rights of reimbursement set forth in Section 3.09, and premium payable in respect of the amended Policy shall be on the same basis and terms as the Policy Premium and the Policy Redemption Premium paid in respect of the Policy issued on the Second Closing Date (unless otherwise agreed to by the Issuer and the Policy Provider).

Section 2.12 Delivery of Remaining New Aircraft. (a) Upon receipt by the Trustee of a certificate executed by a Director stating (i) that a Remaining New Aircraft has been delivered under and in accordance with the Second Share Purchase Agreement, (ii) that no waiver of the conditions specified in Clauses 3(a), 3(b), 3(c) and 13.2 of the Second Share Purchase Agreement has occurred with respect to such Remaining New Aircraft (or the relevant Company) without the receipt of a Rating Agency Confirmation and the prior written consent of the Policy Provider, (iii) that an additional Class E-2 Note shall be issued to the Seller in the principal amount of the Class E-2 Notes allocable to such Remaining New Aircraft, as set forth in column VII of Exhibit A to the Second Share Purchase Agreement and as such allocable amount may be adjusted according to the Second Share Purchase Agreement with respect to the Class E-2 Notes, and specifying the principal amount of such Class E-2 Note to be issued and (iv) the amount of cash payable from the Aircraft Purchase Account allocable to such Remaining New Aircraft, as set forth in column V of Exhibit A to the Second Share Purchase Agreement, net of the amounts provided for in the Second Share Purchase Agreement (any such amount, a "Remaining New Aircraft Allocation Amount"), and wire instructions for the payment of such funds, the Trustee shall (x) authenticate an additional Class E-2 Note issued by the Issuer in a principal amount equal to the amount certified by the Issuer with respect to such Remaining New Aircraft to, and register such Note in the name of, the Seller and (y) transfer funds in the amount of the Remaining New Aircraft Allocation Amount for such Remaining New Aircraft from the relevant Aircraft Purchase Account in the amount so certified and in accordance with the written instructions provided by the Issuer in accordance with Section 3.05(a).

Section 2.13 Special Transfer Provisions. (a) Certain Transfers and Exchanges of Book-Entry Interests and Definitive Interests. In connection with all transfers and exchanges of Book-Entry Interests and Definitive Interests, other than transfers of Book-Entry Interests and Definitive Interests corresponding to a Global Note to Persons who will hold such Book-Entry Interest or Definitive Interest in the form of a Book-Entry Interest or Definitive Interest corresponding to the same Global Note, the transferor of such Book-Entry Interest or Definitive Interest must deliver to the Trustee either (i) (A) instructions given in accordance with the Applicable Procedures from a Participant directing the Securities Depository to credit or cause to be credited a Book-Entry Interest or Definitive Interest corresponding to the specified Global Note in an amount equal to the Book-Entry Interest to be transferred or exchanged, (B) a written order given in accordance with the Applicable Procedures containing information regarding the Participant account to be credited with such increase and (C) instructions given by the Depositary to effect the transfer referred to in (A) and (B) above or (ii) (A) instructions given in accordance with Applicable Procedures from a Participant directing the Securities Depository to cause to be issued a Definitive Note or the Depositary to issue a Definitive Interest, as the case may be, by means of the process set forth in Section 2.07(a) (if permitted pursuant to Section 2.07) in an amount equal to the Book-Entry Interest to be transferred or exchanged and (B) instructions given by the Holder of the Global Note to effect the transfer referred to in (A) above.

(b) Transfer of Book-Entry Interests or Definitive Interests in the Same Global Note. Book-Entry Interests or Definitive Interests corresponding to any Global Note may be transferred to Persons who will hold such Book-Entry Interest or Definitive Interest in the form of a Book-Entry Interest or Definitive Interest corresponding to the same Global Note in accordance with the transfer restrictions set forth in the Restrictive Legend.

(c) Transfer of Book-Entry Interests or Definitive Interests to Another Global Note. Book-Entry Interests or Definitive Interests corresponding to one of the Global Notes of any subclass may be transferred to Persons who will hold such Book-Entry Interest or Definitive Interest in the form of a Book-Entry Interest or Definitive Interest corresponding to the other Global Note of such subclass if the Depositary receives the following:

(i) if prior to or on the 40th day after the later of the commencement of the offering of the Notes and the relevant

Closing Date (the "Restricted Period"), the transferor holds such Book-Entry Interest or Definitive Interest corresponding to a Regulation S Global Note and if the transferee will hold such interests in the form of a Book-Entry Interest or Definitive Interest corresponding to a Rule 144A Global Note or an IAI Global Note, as applicable, then the transferor must deliver a certificate in the form of Exhibit F hereto, including the certifications in item (1) thereof. After the expiration of the Restricted Period the certification requirements of this clause (i) will no longer apply to such transfers; and

(ii) if the transferee will hold such interests in the form of a Book-Entry Interest or Definitive Interest corresponding to a Regulation S Global Note, then the transferor must deliver a certificate in the form of Exhibit F hereto, including the certifications in item (2) thereof.

(d) Notation by the Trustee of Transfer of Book-Entry Interests or Definitive Interests Among Global Notes . Upon satisfaction of the requirements for transfer of Book-Entry Interests or Definitive Interests pursuant to paragraphs (a) and (c) above, the Depositary shall present to the Trustee the relevant Global Note from which the Book-Entry Interests are being transferred to reduce the principal amount of such Global Note and the relevant Global Note to which the Book-Entry Interests or Definitive Interests are being transferred to increase the principal amount of such Global Note, in each case, by the principal amount of such Book-Entry Interests or Definitive Interests being transferred (and an appropriate notation shall be made thereon by the Trustee). The Trustee shall then promptly deliver

appropriate instructions to the Securities Depository to reduce or reflect on its records a reduction of the Book-Entry Interests in the Global Note from which the Book-Entry Interests, if any, are being transferred by the principal amount of such Book-Entry Interests, if any, and the Trustee shall promptly deliver appropriate instructions to the Securities Depository concurrently with such reduction, to increase or reflect on its records an increase of the Book-Entry Interests, if any, in the Global Note to which Book-Entry Interests, if any, are being transferred by the principal amount of such Book-Entry Interests, and to credit or cause to be credited to the account of the Participant specified in the instructions delivered by the transferor of such Book-Entry Interests, if any, pursuant to paragraph (a) of this Section 2.13 the Book-Entry Interests, if any, being transferred. The Trustee shall also promptly deliver appropriate instructions to the Depositary to reduce or reflect on its records a reduction of the Definitive Interests, if any, in the Global Note from which the Definitive Interests, if any, are being transferred by the principal amount of such Definitive Interests, if any, and the Trustee shall promptly deliver appropriate instructions to the Depositary concurrently with such reduction, to increase or reflect on its records an increase of the Definitive Interests, if any, in the Global Note to which Definitive Interests, if any, are being transferred by the principal amount of such Definitive Interests, if any, and to credit or cause to be credited to the account of the transferee specified in the instructions delivered by the transferor of such Definitive Interests pursuant to paragraph (a) of this Section 2.13 the Definitive Interests being transferred.

(e) Exchange of Book-Entry Interests for Definitive Notes or Definitive Interests . Any Definitive Note or Definitive Interest delivered in exchange for a Book-Entry Interest corresponding to a Rule 144A Global Note or Regulation S Global Note, as the case may be, pursuant to the Deposit Agreement and Section 2.07(a) shall, except as otherwise provided by paragraph (f) of this Section 2.13, bear the Restrictive Legend set forth in Section 2.02.

(f) Restrictive Legend. Upon the transfer, exchange or replacement of Definitive Notes not bearing the Restrictive Legend, the Registrar shall deliver Definitive Notes that do not bear the Restrictive Legend. Upon the transfer, exchange or replacement of Definitive Notes bearing the Restrictive Legend, the Registrar shall deliver only Definitive Notes that bear the Restrictive Legend unless, in the case of Class G Notes, there is delivered to the Registrar an Opinion of Counsel reasonably satisfactory to the Issuer and the Trustee to the effect that neither such legend nor the related restrictions on transfer are required in order to maintain compliance with the provisions of the Securities Act.

(g) General. By its acceptance of any Note bearing the Restrictive Legend, each Holder of such Note acknowledges the restrictions on transfer of such Note set forth in this Indenture and in the Restrictive Legend and agrees that it will transfer such Note only as provided in this Indenture. By its acceptance of a Depositary Interest, Book-Entry Interest or Definitive Interest corresponding to any Global Note, each such owner acknowledges the restrictions on transfer of such Depositary Interest, Book-Entry Interest or Definitive Interest set forth in this Indenture and the Deposit Agreement and agrees that it will transfer such Depositary Interest, Book-Entry Interest or Definitive Interest only as set forth in this Indenture and the Deposit Agreement. The Registrar shall not register a transfer of any Definitive Note unless such transfer complies with the restrictions on transfer of such Definitive Note set forth in this Indenture. In connection with any transfer of Notes or Book-Entry Interests or Definitive Interests corresponding thereto, each Holder or owner thereof agrees by its acceptance of such Notes or such Book-Entry Interests or Definitive Interests to furnish the Trustee or the Depositary, as the case may be, the certifications and legal opinions described herein to confirm that such transfer is being made pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act and, if applicable, that the transfer satisfies the requirements of Section 2.13(h); *provided* that the Trustee or Depositary, as the case may be, shall not be required to determine (but may rely on a determination made by the Issuer with respect to) the sufficiency of any such legal opinions.

The Trustee shall retain copies of all letters, notices and other written communications received pursuant to this Section 2.13 in accordance with its customary procedures. The Issuer shall have the right to inspect and make copies of all such letters, notices or other written communications at any reasonable time upon the giving of reasonable written notice to the Trustee.

(h) Transfers of Class E Notes. Class E Notes may be transferred only if the Trustee and the Issuer receive an Opinion of Counsel from counsel to the Issuer in the United States and an opinion from the tax advisors to the Issuer in Ireland, in each case to the

effect that no Issuer Group Member should suffer materially adverse Irish or United States taxes as a result of the transfer.

Section 2.14 Temporary Definitive Notes. Pending the preparation of Definitive Notes of any subclass, the Issuer may execute and the Trustee may authenticate and deliver temporary Definitive Notes of such subclass which are printed, lithographed, typewritten or otherwise produced, in any denomination, containing substantially the same terms and provisions as are set forth in the applicable exhibit hereto or in any indenture supplemental hereto, except for such appropriate insertions, omissions, substitutions and other variations relating to their temporary nature as the Director executing such temporary Definitive Notes may determine, as evidenced by his or her execution of such temporary Definitive Notes.

If temporary Definitive Notes of any subclass are issued, the Issuer will cause Definitive Notes of such subclass to be prepared without unreasonable delay. After the preparation of Definitive Notes of such subclass, the temporary Definitive Notes shall be exchangeable for Definitive Notes upon surrender of such temporary Definitive Notes at the Corporate Trust Office of the Trustee, without charge to the Holder thereof. Upon surrender for cancellation of any one or more temporary Definitive Notes, the Issuer shall execute and the Trustee shall authenticate and deliver in exchange therefor Definitive Notes of like subclass, in authorized denominations and in the same aggregate principal amounts. Until so exchanged, such temporary Definitive Notes shall in all respects be entitled to the same benefits under this Indenture as Definitive Notes.

Section 2.15 Statements to Holders. (a) The Issuer shall cause the Administrative Agent to deliver to the Trustee, the Cash Manager and the Directors, and the Trustee shall (or shall instruct any Paying Agent to) distribute or make available to each Holder (including any beneficial holders with respect to the owners of Book-Entry Interests by delivery to the Securities Depository), the Policy Provider, the Initial Primary Liquidity Facility Provider and each Rating Agency (any such distribution, a "Trustee Report Distribution"), on the second Business Day before each Payment Date and on any other date for distribution of any payments with respect to each subclass of Notes then outstanding, a monthly report, substantially in the form attached as Exhibit E hereto prepared by the Administrative Agent and setting forth the information described therein after giving effect to such payment (each, a "Monthly Report"). The annual Appraisals delivered to the Trustee pursuant to Section 5.03(c) will be reflected in the first Monthly Report following such delivery. By the 15th day of March, June, September and December, the Administrative Agent shall distribute to the Trustee, who shall on the next Payment Date make a Trustee Report Distribution of, a report including (i) a statement setting forth an analysis of the Collections Account activity for the preceding fiscal quarter ended January 31, April 30, July 31 and October 31, respectively, (ii) a discussion and analysis of such activity and of any significant developments affecting the Issuer Group in such quarter and (iii) an updated description of the Current Aircraft (and any Additional Aircraft) then in the Portfolio and the related Lessees (each, a "Quarterly Report"). On or prior to April 30 of each year, commencing in 2008, the Administrative Agent shall distribute to the Trustee, who shall on the next Payment Date make a Trustee Report Distribution of, a report including (x) a statement setting forth an analysis of the Collections Account activity for the preceding fiscal year ended October 31, (y) a discussion and analysis of such activity and of any significant developments affecting the Issuer Group in such year and (z) updated information with respect to the Current Aircraft (and any Additional Aircraft) then in the Portfolio (each, an "Annual Report").

Each Annual Report shall include audited consolidated financial statements of the Issuer Group. Each Quarterly Report and Annual Report shall also contain a quarterly or annual, as the case may be, statement of (a) the Aircraft on ground distinguishing between those on ground due to any repossessions and those subject to re-marketing for re-leasing and (b) a comparison of actual versus expected payment results. The Trustee shall deliver a copy of, or make available via a website, each Quarterly Report and Annual Report to any Holder or other Secured Party who requests a copy thereof.

(b) The Issuer shall cause the Administrative Agent to deliver, after the end of each calendar year but not later than the latest date permitted by law, to the Trustee, the Cash Manager, the Policy Provider, the Initial Primary Liquidity Facility Provider and the Directors, and the Trustee shall (or shall instruct any Paying Agent to) furnish to each Person who at any time during such calendar year was a Holder of any subclass of Notes during such calendar year, a statement prepared by the Administrative Agent containing the sum of the amounts determined pursuant to Exhibit E hereto with respect to the subclass of Notes for such calendar year or, in the event such Person was a Holder of any subclass during only a portion of such calendar year, for the applicable portion of such calendar year, and such other items as are readily available to the Administrative Agent and which a Holder shall reasonably request as necessary for the purpose of such Holder's preparation of its U.S. federal income or other tax returns. So long as any of the Notes are Global Notes held by the Depositary, such report and such other items will be prepared on the basis of such information supplied to the Administrative Agent by the Depositary, and will be delivered by the Trustee, when received from the Administrative Agent, to the Depositary to be available for forwarding by the Depositary to the Securities Depository and the applicable beneficial owners in the manner described above. In the event that any such information has been provided by any Paying Agent directly to such Person through other tax-related reports or otherwise, the Trustee in its capacity as Paying Agent shall not be obligated to comply with such request for information.

(c) The Issuer shall cause a copy of each statement, report or document described in Section 2.15(a) and Section 6.11(a) to be concurrently delivered by the Administrative Agent to the Listing Agent for delivery, on its behalf to the Companies Announcement Office of the Irish Stock Exchange, and to each Rating Agency and the Primary Servicer.

(d) At such time, if any, as the Notes of any subclass are issued in the form of Definitive Notes, the Trustee shall prepare and deliver the information described in Section 2.15(b) to each Holder of a Definitive Note of such subclass for the relevant period of ownership of such Definitive Note as appears on the records of the Registrar.

(e) Following each Payment Date and any other date specified herein for distribution of any payments with respect to the Notes and prior to a Refinancing or Redemption, the Trustee shall cause notice thereof to be given (i) by either of (A) the information contained in such notice appearing on the relevant page of the Reuters Screen or such other medium for the electronic display of data as may be approved by the Trustee and notified to Holders or (B) publication in the Financial Times (European Edition) and The Wall Street

Journal (National Edition) or, if either newspaper shall cease to be published or timely publication therein shall not be practicable, in such English language newspaper or newspapers as the Trustee shall approve having a general circulation in Europe and the United States and (ii) as long as Book-Entry Interests are owned through the facilities of DTC, Euroclear and/or Clearstream, and so long as such Notes are admitted to the Official List of the Irish Stock Exchange and to trading on its unregulated market and the rules of such exchange so permit as advised by the Listing Agent, delivery of the relevant notice to the Securities Depository, Euroclear and/or Clearstream for communication by them to owners of Book-Entry Interests of such subclass.

Notwithstanding the above, any notice to the Holders of any class or subclass of Floating Rate Notes specifying an interest rate for such Notes, any Payment Date, any principal payment or any

payment of premium, if any, shall be validly given by delivery of the relevant notice to the Securities Depository, Euroclear and/or Clearstream for communication by them to such Holders, and shall be promptly delivered to the Listing Agent and made available at the offices of the Irish Paying Agent and the Irish Stock Exchange (other than notices required to be delivered by the Administrative Agent or the Cash Manager under the Related Documents).

(f) The Trustee shall be at liberty to sanction some other method of giving notice to the Holders of any subclass if, in its opinion, such other method is reasonable, having regard to the number and identity of the Holders of such subclass and/or to market practice then prevailing, is in the best interests of the Holders of such subclass and will comply with the rules of the unregulated market of the Irish Stock Exchange as confirmed by the Listing Agent or such other stock exchange (if any) on which the Notes of such subclass are then listed, and any such notice shall be deemed to have been given on such date as the Trustee may approve; *provided* that notice of such method is given to the Holders of such subclass in such manner as the Trustee shall require.

Section 2.16 CUSIP, CCN and ISIN Numbers. The Issuer in issuing the Notes may use "CUSIP", "CCN", "ISIN" or other identification numbers (if then generally in use), and if so, the Trustee shall use CUSIP numbers, CCN numbers, ISIN numbers or other identification numbers, as the case may be, in notices of redemption or exchange as a convenience to Holders; *provided* that any such notice shall state that no representation is made as to the correctness of such numbers either as printed on the Notes or as contained in any notice of redemption or exchange and that reliance may be placed only on the other identification numbers printed on the Notes; *provided further*, that failure to use "CUSIP", "CCN", "ISIN" or other identification numbers in any notice of redemption or exchange shall not affect the validity or sufficiency of such notice.

Section 2.17 Holder Representations and Covenants. Each Holder and beneficial owner of a Class G Note, by the purchase of such Note or beneficial interest therein, covenants and agrees that it will treat such Note as indebtedness for all purposes and will not take any action contrary to such characterization, including, without limitation, filing any tax returns or financial statements inconsistent therewith.

ARTICLE III

ACCOUNTS; PRIORITY OF PAYMENTS

Section 3.01 Accounts. (a) Establishment of Accounts. The Cash Manager, acting on behalf of the Security Trustee, shall direct the Operating Bank in writing to establish (if not already established) and maintain on its books and records in the name of the Security Trustee (i) a collections account (the "Collections Account"), one or more aircraft purchase accounts (each, an "Aircraft Purchase Account") with respect to each Remaining New Aircraft, one or more rental accounts (each, a "Rental Account"), one or more lessee funded accounts as provided in the Cash Management Agreement (each, a "Lessee Funded Account"), an expense account (the "Expense Account"), one note account for each of the Class G-3 Notes and each subclass of the Class E Notes (each, a "Note Account"), a liquidity reserve account for the Class G Notes (the "Initial Primary Liquidity Reserve Account"), a payment account for the Initial Primary Liquidity Facility (the "Initial Primary Liquidity Payment Account") and a refinancing account for the Initial Notes (other than the Class E-1 Notes) (the "Initial Notes Refinancing Account"), in each case on or before the Second Closing Date and (ii) thereafter any additional Rental Accounts and any additional Lessee Funded Accounts, in each case provided for in the Cash Management Agreement, any additional Note Accounts, an additional Aircraft Purchase Account for each Additional Aircraft not acquired on the Closing Date for the related Additional Notes, an aircraft conversion account (the "Aircraft Conversion Account"), a defeasance/redemption account (the "Defeasance/Redemption

Account"), a refinancing account (the "Refinancing Account") and any other Account (including, any Cash Collateral Account) the establishment of which is set forth in a Board Resolution delivered to the Trustee, the Security Trustee and the Cash Manager, in each case at such time as is set forth in this Section 3.01 or in such Board Resolution. On or before the Second Closing Date, the Issuer shall establish an Irish collections account (the "Irish VAT Refund Account") in its name at an Eligible Institution. Each Account shall be established and maintained as an Eligible Account in accordance with the terms of, and be subject to, the Security Trust Agreement (or, in the case of the Irish VAT Refund Account, a security agreement governed by Irish law with respect thereto (the "Irish Security Agreement") so as to create, perfect and establish the priority of the security interest of the Security Trustee in such Account and all cash, Investments and other property therein under the Security Trust Agreement (or, in the case of the Irish VAT Refund Account, the Irish Security Agreement) and otherwise to effectuate the Security Trust Agreement (or, in the case of the Irish VAT Refund Account, the Irish Security Agreement). Each new Account established pursuant to Section 2.03(a)(i) of the Cash Management Agreement shall, when so established, be the Account of such name and purposes for all purposes of this Indenture.

(b) Withdrawals and Transfers Generally. Any provision of this Indenture relating to any deposit, withdrawal or any transfer to or from, any Account shall be effected by the Cash Manager directing the Operating Bank by a Written Notice of the Cash Manager (such Written Notice to be provided to the Operating Bank by 1:00 p.m. (New York City time) on the date of such deposit, withdrawal or transfer) given in accordance with the terms of this Indenture, the Cash Management Agreement and the Security Trust Agreement. Each such Written Notice to the Operating Bank shall be also communicated in computer file format or in such other form as the Cash Manager, the Operating Bank, the Trustee and the Security Trustee agree; *provided* that, in the case of communication in computer file format or any other form other than a written tangible form, a written tangible form thereof shall promptly thereafter be sent to the Operating Bank. No deposit, withdrawal or transfer to or from any Account shall be made except in accordance with the terms of this Indenture, the Security Trust Agreement and the Cash Management Agreement or by any Person other than the Operating Bank (only upon the Written Notice of the Cash Manager) or, in the case of the Note Accounts, the Trustee (in which respect the Trustee agrees it is acting as the agent of the Security Trustee). Each of the parties to this Agreement acknowledges that the terms of this Indenture contemplate that the Cash Manager will receive certain information from other parties to this Indenture and the Related Documents in order for the Cash Manager to be able to perform all or any part of its obligations hereunder, that the Cash Manager will be able to perform its obligations hereunder only to the extent such information is provided to the Cash Manager by the relevant parties and that the Cash Manager may conclusively rely, absent manifest error, on such information as it receives without undertaking any independent verification of that information. The Cash Manager agrees that if it does not receive any such information it will promptly notify the party who was to provide such information of such failure.

(c) Collections Account. All Collections (including amounts transferred from the Rental Accounts) shall be, when received, deposited in the Collections Account, and all cash, Investments and other property in the Collections Account shall be transferred from, or retained as Reserved Cash in, the Collections Account in accordance with the terms of this Indenture.

(d) Lessee Funded Account. Any Segregated Funds received from time to time from any Lessee or pursuant to any Acquisition Agreement shall be transferred by the Operating Bank at the written direction of the Cash Manager (which direction shall be given pursuant to a Written Notice from the Financial Administrative Agent) from the Collections Account into the related Lessee Funded Account. The Cash Manager shall not make any withdrawal from, or transfer from or to, any Lessee Funded Account in respect of (i) any portion of the Segregated Funds therein consisting of a security deposit except, upon the termination of the related Lease, as provided in such Lease or (ii) any Segregated Funds that is contrary to the requirements of the respective Leases as to Segregated Funds and the

requirements of the Security Trust Agreement (including the agreement of the Security Trustee that it designate on its account records that it holds its interest in each Lessee Funded Account for the benefit of the respective Lessee in respect of whom such Segregated Funds are held). Without limiting the foregoing, no cash, Investment and other property in a Lessee Funded Account may be used to make payments, other than as permitted under Section 3.08, in respect of the Securities at any time, including after the delivery of a Default Notice. Any Segregated Funds relating to an expired or terminated Lease that remain in a Lessee Funded Account after expiration or termination of such Lease and that are not due and owing to the relevant Lessee under such expired or terminated Lease shall, if so required under the terms of a subsequent Lease, if any, relating to such Aircraft, be credited in a Lessee Funded Account for the benefit of the next Lessee of the relevant Aircraft to the extent required under the terms of such subsequent Lease and, to the extent not so required, transferred to the Collections Account. When and as provided in the Cash Management Agreement the Cash Manager shall cause to be established such additional Lessee Funded Accounts as requested by the Financial Administrative Agent and as are provided for in accordance with Section 3.01(a)(ii).

(e) Expense Account. On each Payment Date, such amounts as are provided in Section 3.09 in respect of the Required Expense Amount and Permitted Accruals shall be deposited into the Expense Account from the Collections Account. Expenses shall be paid from the Expense Account as provided in Section 3.04.

(f) Rental Accounts. All Rental Payments and other amounts received pursuant to any Related Collateral Document shall be deposited into the applicable Rental Account (including any Non-Trustee Account). Except with respect to amounts, if any, that for local tax or other regulatory or legal reasons must be retained on deposit or as to the transfer of which the Cash Manager determines (based on information provided to the Cash Manager in a Written Notice from the Financial Administrative Agent) there is any substantial uncertainty, all amounts so deposited shall, within one Business Day of their receipt, be transferred by the Cash Manager to the Collections Account. If the Cash Manager determines (based on information provided to the Cash Manager in a Written Notice from the Financial Administrative Agent) that, for any tax or other regulatory or legal reason, any such Collections may not be deposited into an account in the name of the Security Trustee, then, notwithstanding the requirements of Section 3.01(a), the relevant Issuer Group Member may establish one or more Rental Accounts (a "Non-Trustee Account") for such Collections in its own name (but subject to the direction and control of the Cash Manager on behalf of the Security Trustee) at any Eligible Institution *provided* that the Lessor under the relevant Lease is or becomes a party to a Security Document with respect to such Account.

(g) Initial Notes Refinancing Account; Refinancing Account. On or prior to the Second Closing Date, the Operating Bank shall have established the Initial Notes Refinancing Account pursuant to Section 3.01(a) in the name of the Security Trustee for the benefit of the Holders of the Initial Notes (other than the Class E-1 Notes). Amounts shall be deposited and withdrawn from the Initial Notes Refinancing Account in accordance with Section 3.03(a)(ii). Upon the completion of the redemption in full of the Initial Notes (other than the Class E-1 Notes), the Financial Administrative Agent shall direct the Operating Bank in writing to close the Initial Notes Refinancing Account. Upon Written Notice of the Issuer to it of, or a Board Resolution provided to it authorizing, a Refinancing, the Cash Manager shall cause the Operating Bank to establish and maintain a Refinancing Account pursuant to Section 3.01(a) in the name of the Security Trustee for the benefit of the Holders of the subclass of Class G Notes, if any, to be refinanced. All net cash proceeds of such Refinancing shall be deposited in the Refinancing Account and shall be held in such Account until such proceeds are applied to pay the

Redemption Price of and all accrued and unpaid interest on such Class G Notes until such Class G Notes are cancelled by the Trustee and Refinancing Expenses (and any Policy Premium and/or Policy Redemption Premium due and payable to the Policy Provider) with respect thereto (except to the extent the Directors have determined, as

evidenced by a Board Resolution, to pay the same from funds available therefor as Permitted Accruals in the Expense Account) and as otherwise provided in Section 5.02(f)(ii).

(h) Defeasance/Redemption Account. Upon Written Notice of the Issuer to it, or a Board Resolution provided to it authorizing that any subclass of Notes is to be redeemed pursuant to Section 3.11 (other than in a Refinancing) or defeased under Article XI, the Cash Manager shall cause the Operating Bank to establish and maintain a Defeasance/Redemption Account pursuant to Section 3.01(a) in the name of the Security Trustee for the benefit of the Holders of such subclass. All amounts received for the purpose of any such redemption or defeasance shall be deposited in the Defeasance/Redemption Account.

(i) Aircraft Purchase Accounts. As and to the extent provided in Section 3.03 (or, in the case of any Additional Aircraft, in the terms of any indenture supplemental hereto or a Board Resolution with respect to the related Additional Notes), an amount equal to the Aircraft Allocation Amount for each Remaining New Aircraft or, in the case of an Additional Aircraft, on the Closing Date for the related Additional Notes will be transferred from the Collections Account out of the proceeds of the Second Issuance Notes or Additional Notes (as the case may be) to the Aircraft Purchase Account for that Aircraft. The amount so deposited will be held in that Account and invested in Permitted Account Investments until applied as provided in Section 3.04 or 3.05. The Issuer shall notify the Security Trustee and the Administrative Agent of the satisfaction or waiver (specifying which) of all conditions for the payment of the Aircraft Purchase Price of any Aircraft not acquired on the Closing Date.

(j) Conversion Account. As and to the extent provided in Section 3.03 (or in the terms of any indenture supplemental hereto or a Board Resolution with respect to the related Additional Notes), an amount equal to any expected Conversion Payment will be transferred from the Collections Account out of the proceeds of the Additional Notes to the Aircraft Conversion Account. The amount so deposited will be held in that Account and invested in Permitted Account Investments until applied as provided in Section 3.04 or 3.08. The Issuer shall notify the Security Trustee and the Cash Manager in writing of the satisfaction or waiver (specifying which) of all conditions for the payment of any Conversion Payment, and no amounts may be withdrawn or transferred from the Aircraft Conversion Account until receipt of such notice as to such Conversion Payment.

(k) Note Account. Upon the issuance of Notes of any subclass for which a Note Account was not previously established, the Cash Manager shall cause the Operating Bank to establish and maintain a Note Account for such subclass in accordance with Section 3.01(a) in the name of the Security Trustee for the benefit of the Holders of the Notes of such subclass. Upon the transfer of any amounts to the Note Account for any subclass of Notes in accordance with Section 3.09 or Section 3.15, the Trustee on the same day (including any Special Distribution Date) shall pay all such amounts to the Holders of such subclass of Notes as of the related Record Date in accordance with the terms of this Indenture.

(l) Irish VAT Refund Account. All payments of refunds with respect to Irish value-added tax and any other amounts related to Irish tax payments payable to the Issuer or any Issuer Subsidiary shall be, when received, deposited in the Irish VAT Refund Account. Funds held in the Irish VAT Refund Account shall be converted into U.S. dollars with a recognized foreign exchange dealer or foreign commercial bank (which may be the bank where the Irish VAT Refund Account is located or the Cash Manager or an affiliate). The conversion of currency into U.S. dollars shall be pursuant to the conversion procedures set forth in Section 12.07. Upon conversion and receipt of U.S. dollars, the Cash Manager shall cause such amounts to be deposited from the Irish VAT Refund Account to the Collections Account as soon as administratively practicable. The cost and expense of any such conversion shall be added to and reflected in the rate obtained for conversion and in no event shall the Cash Manager or any of its

affiliates be liable in respect of the exchange rate obtained for any such conversion or any related cost or expense.

All amounts held in the Irish VAT Refund Account from time to time shall remain uninvested pending conversion to U.S. dollars and transfer to the Collections Account.

The Administrative Agent shall promptly notify the Cash Manager in writing of the expected payment of any such refund and the anticipated amount as set forth in the Administrative Agency Agreement.

(m) Cash Collateral Accounts. (i) Upon Written Notice of the Issuer to it, or a Board Resolution provided to it authorizing the establishment of a Primary Liquidity Reserve Account, the Cash Manager shall cause (with the prior written consent of the Policy Provider and the Initial Primary Liquidity Facility Provider) the Operating Bank to establish and maintain the Primary Liquidity Reserve Account as a Cash Collateral Account pursuant to Section 3.01(a) in the name of the Security Trustee for the benefit of the Secured Parties. If the Cash Manager determines that on any Payment Date after making all withdrawals and transfers to be made with respect to such Payment Date (for the avoidance of doubt, prior to any drawings under the Initial Primary Liquidity Facility or the Policy), there will be insufficient funds in the Collections Account (w) to transfer to the Expense Account an amount such that the amount on deposit therein is equal to the Required Expense Amount for such Payment Date, (x) to pay the Interest Amount for each subclass of Class G Notes, (y) to pay Senior Hedge Payments to each applicable Hedge Provider, in each case as provided in Section 3.09 and (z) if such Payment Date is the Final Maturity Date for any subclass of Class G Notes, to pay the Outstanding Principal Balance of such subclass of

Class G Notes on the Final Maturity Date, the Cash Manager shall so notify the Trustee in writing under Section 3.07 and direct the Operating Bank in writing on such Payment Date to withdraw from the Primary Liquidity Reserve Account the lesser of an amount equal to the shortfall in making the payments set forth in clauses (w), (x), (y) and (z) above and the amount on deposit therein. The Trustee shall, as set out in the written notice from the Cash Manager, apply the amount so withdrawn, first, to the Expense Account an amount such that the amount on deposit therein is at least equal to the Required Expense Amount for such Payment Date, second, in no order of priority *inter se*, but *pro rata*, (A) to the Note Accounts for each subclass of Class G Notes, the Interest Amount on such subclass of Class G Notes in no order of priority *inter se*, but *pro rata* according to the amount of accrued and unpaid interest on such subclass of Class G Notes; and (B) *pro rata*, to any Hedge Provider, an amount equal to any Senior Hedge Payment due from any Issuer Group Member pursuant to any Hedge Agreement and third, to the Note Accounts for each subclass of Class G Notes, the Final Maturity Date of which falls on such Payment Date, *pro rata* according to the amount of principal of such subclass. If the Cash Manager determines that the amount that will be on deposit in a Primary Liquidity Reserve Account on any Payment Date, after making any withdrawals therefrom to be made on such Payment Date, will exceed the aggregate Outstanding Principal Balance of the Class G Notes, the Cash Manager shall so notify the Trustee in writing and direct the Operating Bank in writing to withdraw the amount on deposit in such Primary Liquidity Reserve Account on such Payment Date and apply such balance, first, to the Note Accounts for each subclass of Class G Notes, in the order of priority by subclass set forth in Section 3.10, an amount equal to the Outstanding Principal Balance of each such subclass, and second, to the Collections Account, for application on such Payment Date in accordance with Section 3.09 (any such application, a "Class G Cash Collateral Event"). Unless applied in connection with a Class G Cash Collateral Event or on the Final Maturity Date, no amount in the Primary Liquidity Reserve Account shall be available for any shortfall in the payment of principal of the Class G Notes. Amounts in the Primary Liquidity Reserve Account are not subject to the payment priorities set forth in Section 3.09.

(ii) Upon receipt by the Cash Manager and the Trustee of a Board Resolution providing for the establishment of any Cash Collateral Account (other than a Primary Liquidity

Reserve Account) as an Eligible Credit Facility for one or more subclasses of Notes or in respect of any other Obligation, the Cash Manager shall, by Written Notice, and with the prior written consent of the Policy Provider and the Initial Primary Liquidity Facility Provider cause the Operating Bank to establish (within three Business Days of the giving of such Written Notice) and maintain such Cash Collateral Account pursuant to Section 3.01(a) in the name of the Security Trustee for the benefit of the Holders of the Notes of each such subclass and/or the Secured Parties holding such other Obligation. All amounts provided in connection with any such Board Resolution for deposit in such Account and all amounts to be deposited in such Account under Section 3.09 as an Eligible Credit Facility shall be held in such Cash Collateral Account for application, and all replenishment shall be made, in accordance with the terms of the Board Resolution relating to such Eligible Credit Facility, which Board Resolution shall include the basis of any replenishment of the Cash Collateral Account, the purpose of the Cash Collateral Account and shall be subject to the prior written consent of the Policy Provider and the Initial Primary Liquidity Facility Provider.

(n) Initial Primary Liquidity Reserve Account. Following the funding of the Initial Primary Liquidity Reserve Account with a Downgrade Drawing, a Final Drawing or a Non-Extension Drawing, if the Cash Manager determines that on any Payment Date after making all withdrawals and transfers to be made with respect to such Payment Date, there will be insufficient funds in the Collections Account (x) to transfer to the Expense Account an amount such that the amount on deposit therein is equal to the Required Expense Amount for such Payment Date, (y) to pay Senior Hedge Payments to each applicable Hedge Provider, in each case as provided in Section 3.09 and (z) to pay the Interest Amount for the Class G-3 Notes, as provided in Section 3.09, the Cash Manager shall so notify the Trustee in writing under Section 3.07 and shall direct the Operating Bank in writing on such Payment Date to withdraw from the Initial Primary Liquidity Reserve Account the lesser of the amount equal to the shortfall in making the payments set forth in clauses (x), (y) and (z) above and the amount on deposit therein. The Trustee shall, as set out in the Written Notice from the Cash Manager, apply the amount so withdrawn, first, to the Expense Account an amount such that the amount on deposit therein is at least equal to the Required Expense Amount for such Payment Date, and second, in no order of priority *inter se*, but *pro rata*, (A) to the Note Account for the Class G-3 Notes, the Interest Amount on the Class G-3 Notes; and (B) *pro rata*, to any Hedge Provider, an amount equal to any Senior Hedge Payment due from any Issuer Group Member pursuant to any Hedge Agreement.

Section 3.02 Investments of Cash. (a) For so long as any Notes remain Outstanding, the Cash Manager, on behalf of the Security Trustee, shall, or shall direct the Operating Bank in writing to, invest and reinvest, at the written direction of the Financial Administrative Agent acting on the Issuer's instructions, the funds on deposit in the Accounts in Permitted Account Investments; *provided*, *however*, that the Initial Primary Liquidity Facility Provider shall be entitled to direct the Cash Manager to invest the amounts standing (if any) in the Initial Primary Liquidity Reserve Account, in Permitted Account Investments; *provided further*, *however*, that following the giving of a Default Notice or during the continuance of an Acceleration Default, the Cash Manager shall, or shall direct the Operating Bank in writing to, invest such funds on deposit or such amounts at the written direction of the Security Trustee in Permitted Account Investments described in clause (d) of the definition thereof (but in the case of a Lessee Funded Account only to the extent any such investment credited to such Lessee Funded Account is permitted by the Leases pursuant to which such funds were received) from the time of receipt thereof until such time as such amounts are required to be distributed pursuant to the terms of this Indenture. The Cash Manager shall make such investments and reinvestments and the Issuer (or the Financial Administrative Agent acting on the Issuer's instructions), the Initial Primary Liquidity Facility Provider and/or the Security Trustee as specified in the immediately preceding sentence shall provide such direction, all in accordance with the terms of the following provisions:

(i) the Permitted Account Investments shall have maturities and other terms such that sufficient funds shall be available to make required payments pursuant to this Indenture (A) before the next Payment Date after which such investment is

made, in the case of investments of funds on deposit in the Collections Account and the Expense Account, or (B) in accordance with a Written Notice provided by the Financial Administrative Agent, the requirements of the relevant Leases or Aircraft Agreements, in the case of investments of funds on deposit in the Lessee Funded Accounts; *provided* that an investment maturing within one year of the date of investment shall nevertheless be a Permitted Account Investment if it has been acquired with funds which are not reasonably anticipated, at the discretion of the Cash Manager (at the direction of the Financial Administrative Agent acting on the Issuer's instructions), to be required to be paid to any other Person or otherwise transferred from the applicable Account prior to such maturity;

(ii) if any funds to be invested are not received in the Accounts by 1:00 p.m., New York City time, on any Business Day, such funds shall, if possible, be invested in overnight Permitted Account Investments described in clause (d) of the definition thereof; *provided* that none of the Cash Manager, the Trustee, the Security Trustee or the Initial Primary Liquidity Facility Provider shall be liable for any losses incurred in respect of the failure to invest funds not thereby received; and

(iii) if required by the terms of a Lease as set forth in a Written Notice from the Financial Administrative Agent to the Cash Manager, any investments of Segregated Funds on deposit in a Lessee Funded Account or the Collections Account shall be made on behalf of the relevant Lessee in such investments as may be required thereunder.

(b) The Cash Manager, the Trustee or their respective Affiliates are permitted to receive additional compensation that could be deemed to be in their respective economic self interest for (i) serving as an investment advisor, administrator, shareholder servicing agent, custodian or sub-custodian with respect to certain Permitted Account Investments, (ii) using Affiliates to effect transactions in certain Permitted Account Investments and (iii) effecting transactions in certain Permitted Account Investments. Neither the Cash Manager nor the Trustee guarantees the performance of any Permitted Account Investment.

(c) The Cash Manager shall have no obligation to invest and reinvest any cash held in the Accounts in the absence of timely and specific written investment direction from the Issuer (or the Financial Administrative Agent acting on the Issuer's instructions), the Initial Primary Liquidity Facility Provider or the Security Trustee, as the case may be. In no event shall the Cash Manager be liable for the selection of investments or for investment losses incurred thereon. The Cash Manager shall have no liability in respect of losses incurred as a result of the liquidation of any investment prior to its stated maturity or the failure of the Issuer (or the Financial Administrative Agent acting on the Issuer's instructions), the Initial Primary Liquidity Facility Provider or the Security Trustee, as the case may be, to provide timely written investment direction.

Section 3.03 Closing Date Deposits, Withdrawals and Transfers. The Cash Manager shall, on each Closing Date at the written direction of the Issuer, upon the Operating Bank's receipt thereof, make, or direct the Operating Bank to make, the following deposits and transfers to and from the Accounts in each case as specified in a prior Written Notice of the Cash Manager to the Trustee, the Security Trustee and the Operating Bank:

(a) on the Second Closing Date,

(i) (A) deposit in the Collections Account the proceeds of the issuance of the Second Issuance Notes, (B) transfer from each of the Secondary Liquidity Reserve Account (as defined in the Original Indenture) and the Tertiary Liquidity Reserve Account (also defined in the Original Indenture) all amounts in such accounts to the Collections Account and (C) deposit in any Lessee Funded Account an amount equal to any Segregated Funds for each Lease related to any New Aircraft being acquired from a Seller on the Second Closing Date;

(ii) after making the deposits required by clause (i) above and in the following order (A) transfer from the Collections Account to the Expense Account, such amount as is necessary so that the amount on deposit in the Expense Account is an amount equal to the Required Expense Amount for the first Payment Date occurring after the Second Closing Date and the Initial Expenses, as specified in a Written Notice of the Cash Manager to the Trustee, (B) transfer from the Collections Account to the Initial Notes Refinancing Account for application in accordance with Section 3.11 and other applicable provisions of the Original Indenture such amount as is necessary to pay the Initial Notes in full (other than the Class E-1 Notes) (C) pay from the Collections Account to the Seller or at the direction of the Seller the Aircraft Allocation Amount for each New Aircraft being acquired from the Seller on the Second Closing Date pursuant to the Second Share Purchase Agreement minus the amount of any security deposits that are not Segregated Funds held by an Issuer Subsidiary as lessor under the Lease with respect to such Aircraft, minus an amount equal to the reduction of the Purchase Price (as defined in the Second Share Purchase Agreement) by reason of any rent received by an Issuer Subsidiary attributable to the period after the Second Closing Date in accordance with Section 2.2(a)(i) of the Second Share Purchase Agreement and minus the Initial Expenses (in which case the Written Notice of the Cash Manager shall, as a condition to such payment, be accompanied by a Written Notice of the Administrative Agent stating that the conditions to the acquisition of each such Aircraft specified in the Second Share Purchase Agreement have been fulfilled), (D) transfer from the Collections Account the Aircraft Allocation Amount for each Remaining New Aircraft to the related Aircraft Purchase Account, and (E) retain in the Collections Account the balance, if any, remaining after making the foregoing transfers; and

(iii) withdraw from the Expense Account such amount as is needed to discharge any Initial Expenses then due and payable and pay such amount to the appropriate payees thereof as specified in the Written Notice of the Cash Manager.

(b) on any Closing Dates occurring after the Second Closing Date in respect of the issuance of any Additional Notes,

(i) (A) deposit in the Collections Account the proceeds of the issuance of such Additional Notes, and (B) deposit

in any Lessee Funded Account any Segregated Funds received pursuant to any Acquisition Agreement; and

(ii) after making the deposits required by clause (i) above and in the following order (A) transfer from the Collections Account to the Expense Account, such amount as is necessary

so that the amount on deposit in the Expense Account is an amount equal to the Required Expense Amount for the next succeeding Payment Date, (B) transfer from the Collections Account to any Cash Collateral Account then to be established an amount equal to the Required Amount for such Account, (C) pay from the Collections Account to the Seller the Aircraft Allocation Amounts for each Aircraft being acquired from the Seller on the relevant Closing Date (in which case the Written Notice of the Cash Manager shall, as a condition to such payment, be accompanied by a Written Notice of the Administrative Agent stating that the conditions to the acquisition of each such Aircraft specified in the relevant Acquisition Agreement have been fulfilled), (D) transfer from the Collections Account the Aircraft Allocation Amount for each Additional Aircraft, if any, not being acquired on that Closing Date to the related Aircraft Purchase Account, (E) in the case of a Closing Date for any Additional Notes issued to finance any Aircraft Conversion, transfer from the Collections Account to the Aircraft Conversion Account such amount as the relevant Conversion Agreement requires to be paid on or before that Closing Date and (F) retain in the Collections Account the balance, if any, remaining after making the foregoing transfers.

(c) on any Closing Date occurring after the Second Closing Date involving the issuance of Refinancing Notes, deposit the proceeds of such Refinancing into the Refinancing Account for application in accordance with Section 3.08(a).

Section 3.04 Interim Deposits, Transfers and Withdrawals. On any Business Day, the Cash Manager upon the Operating Bank's receipt thereof, may make, or direct the Operating Bank to make, without duplication, the following deposits, transfers and withdrawals to and from the Accounts, in each case as specified in a prior Written Notice of the Cash Manager to the Trustee, the Security Trustee and the Operating Bank (which Written Notice of the Cash Manager shall, as a condition to any such deposit, withdrawal and transfer be accompanied by a Written Notice of the Financial Administrative Agent setting forth the amounts of such deposits, withdrawals and transfers):

(a) withdraw from a Lessee Funded Account to the extent that funds on deposit therein or available thereunder may be withdrawn or drawn pursuant to the terms of the related Lease for payment thereof, to discharge any Expense then due and payable and pay such amount to the appropriate payees thereof;

(b) withdraw from the Expense Account (to the extent of funds on deposit therein) such amount as is needed to discharge (i) any Primary Expenses and (ii) any Modification Payments or Refinancing Expenses in respect of which a Permitted Accrual was previously effected by a deposit in the Expense Account (whether or not any such deposit has been previously used to pay any other Primary Expense but excluding any portion of such deposit previously used to pay any Modification Payments or Refinancing Expenses) then due and payable and pay such amount to the appropriate payees thereof;

(c) transfer from the Collections Account from time to time (but in no event on less than one Business Day's prior Written Notice to the Trustee (unless such one Business Day's notice requirement is waived by the Trustee)) other amounts to the Expense Account, in each case only to the extent that such funds are to be applied to Primary Expenses that become due and payable during such Interest Accrual Period and for the payment of which there are insufficient funds in the Expense Account; *provided* that no such transfer from the Collections Account in respect of Primary Expenses shall be made prior to the next succeeding Payment Date if, in the reasonable judgment of the Cash Manager, such transfer would have a material adverse effect on the ability of the Issuer to make payments of accrued and unpaid interest on the Senior Class then Outstanding on the next Payment Date therefor in accordance with Section 3.09;

(d) withdraw Segregated Funds from a Lessee Funded Account or draw under or cause to be drawn under any applicable Related Collateral Document, in any case to the extent required by or necessary in connection with a Lease or any documents related thereto and the Related Collateral Documents, for deposit in the Collections Account to satisfy any default in Rental Payments under any related Lease;

(e) transfer any Segregated Funds from the Collections Account to a Lessee Funded Account in accordance with the terms of any Lease; and

(f) withdraw from the Aircraft Conversion Account an amount equal to the Conversion Payment for any Aircraft Conversion, to the extent the relevant Conversion Agreement requires payment on that Business Day.

Section 3.05 Withdrawals and Transfers Relating to the Acquisition of Aircraft. (a) Acquisition. On the Acquisition Date (other than a Closing Date) with respect to a Remaining New Aircraft, the Cash Manager may make, or direct the Operating Bank to make, the following deposits, withdrawals and transfers to and from the Accounts, in each case as specified in a Written Notice of the Cash Manager to the Trustee, the Security Trustee and the Operating Bank (which Written Notice of the Cash Manager shall, as a condition to any such deposit, withdrawal and transfer be accompanied by a Written Notice of the Administrative Agent (i) stating that the conditions to payment for an Aircraft specified in the applicable Acquisition Agreement have been fulfilled and (ii) setting forth the amounts of such deposits, withdrawals and transfers):

(i) transfer from the Collections Account and deposit into the relevant Lessee Funded Account, an amount equal to any Segregated Funds for the Lease related to such Aircraft;

(ii) pay out of the Aircraft Purchase Account for such Aircraft to the Seller or at the direction of the Seller the Aircraft Allocation Amount for such Aircraft and any Investment Earnings thereon minus the amount of any security deposits that are not Segregated Funds held by an Issuer Subsidiary as lessor under the Lease with respect to such Aircraft; and

(iii) pay out of the Aircraft Purchase Account for such Aircraft to the Collections Account the amount of any security deposits that are not Segregated Funds held by an Issuer Subsidiary as lessor under the Lease with respect to such Aircraft.

(b) Aircraft Payments. The payments of the Aircraft Allocation Amount for any Aircraft (other than Additional Aircraft) to be made pursuant to Section 3.05(a)(ii) to any Seller shall, subject to the delivery as to such Aircraft of the Written Notice referred to in Section 3.05(a), be made as so provided notwithstanding the giving of any Default Notice or any other exercise of remedies hereunder.

(c) Delivery Expiry Date. Upon Written Notice of the Administrative Agent to the Cash Manager, the Trustee, the Security Trustee and the Operating Bank that the Issuer is no longer required, pursuant to the terms of the applicable Acquisition Agreement, to purchase any New Aircraft or Additional Aircraft (whether by reason of the passing of the Delivery Expiry Date, the occurrence of a Non-Delivery Event, the exercise by the Issuer of any termination right under that Acquisition Agreement or otherwise), the Cash Manager shall direct the Operating Bank to (i) transfer from the Aircraft Purchase Account for each Aircraft so affected to the Collections Account (for application in accordance with Section 3.09) the Aircraft Allocation Amount for each such Aircraft and (ii) transfer to the Note Account for the Class E Notes, an amount equal to the Investment Earnings remaining in such Aircraft Purchase Account.

(d) Rent Payment Reimbursement Amount. On each Payment Date prior to an Acquisition Date with respect to a Remaining New Aircraft, the Cash Manager shall direct the Operating Bank to pay to the Seller an amount equal to the Rent Payment Reimbursement Amount (as defined in the Second Share Purchase Agreement) for such Remaining New Aircraft for the Rent Transfer Period (as defined in the Second Share Purchase Agreement and as specified by the Financial Administrative Agent in a Written Notice to the Cash Manager) ending immediately preceding such Payment Date, such payment to made from first, the Investment Earnings in the Aircraft Purchase Account for such Remaining New Aircraft accrued during such Rent Transfer Period and second, from the Collections Account in accordance with Section 3.09.

Section 3.06 Interim Deposits and Withdrawals for Aircraft Sales. The Cash Manager shall direct the Operating Bank to deposit any and all proceeds received in respect of any Aircraft Sale by or on behalf of any Issuer Group Member in the Collections Account (other than in connection with any sale of all or substantially all of the assets of the Issuer Group, in which case the Cash Manager shall direct the Operating Bank to deposit any and all proceeds thereof into the Defeasance/Redemption Account in connection with the redemption of each subclass of the Notes) in each case as specified in a Written Notice of the Cash Manager to the Trustee, the Security Trustee and the Operating Bank (which Written Notice of the Cash Manager shall, as a condition to any such deposit be accompanied by a Written Notice of the Financial Administrative Agent setting forth the amount of such deposit). Any funds then on deposit in a Lessee Funded Account related to the Aircraft subject to such sale or other disposition shall be applied on a basis consistent with the terms of the Lease related to such Aircraft, if any, or as otherwise provided by the relevant agreements related to such sale or other disposition.

Section 3.07 Calculation Date Calculations. (a) Calculation of Required Amounts. The Cash Manager shall determine, as soon as practicable after each Calculation Date, but in no event later than four Business Days preceding the immediately succeeding Payment Date, based on information known to the Cash Manager or Relevant Information (and, without limitation, in the case of clauses (ii), (iii), (iv), and (v) below, a Written Notice from the Financial Administrative Agent received by the Cash Manager no later than 10:00 a.m. New York City time on the day after such Calculation Date setting forth the amounts required for the calculations in such clauses) provided to the Cash Manager, the Collections received during the period commencing on the close of business on the preceding Calculation Date and ending on the close of business on such Calculation Date and calculate the following amounts:

(i) the balance of funds on deposit in the Accounts on the Calculation Date, the Required Amount with respect to each Cash Collateral Account on such Calculation Date and the amount available under all Eligible Credit Facilities on such Calculation Date;

(ii) the Required Expense Amount for such Payment Date and any amount to be deposited in respect of Permitted Accruals as of such Calculation Date;

(iii) the Available Collections on such Calculation Date (separately listing any Senior Hedge Payments, Subordinated Hedge Payments and Hedge Breakage Costs) (*provided* that, in making such determination, the Cash Manager may assume that any amount from a Hedge Provider to be paid on such Payment Date pursuant to any Hedge Agreement will be paid on such Payment Date);

(iv) the net Segregated Funds, if any, available to be transferred into the Collections Account on such Calculation Date;

(v) the Required Amount for any Cash Collateral Account and any amounts to be transferred in respect of Eligible Credit Facilities under clause (iv) of Section 3.09(a) or clause (ii) of Section 3.09(b); and

(vi) any amount to be transferred from any Aircraft Purchase Account and the Aircraft Conversion Account, to the Collections Account as provided, respectively, in Section 3.05(c) or Section 3.04(f).

(b) Calculation of Interest Amounts. The Cash Manager shall, not later than four Business Days prior to each Payment Date, make the following calculations or determinations with respect to Interest Amounts due on such Payment Date:

(i) based on Relevant Information provided to it by the Reference Agent, the applicable interest rate on each subclass of Floating Rate Notes based on LIBOR determined on the Reference Date for the relevant Interest Accrual Period;

(ii) the Interest Amount in respect of each class or subclass of Floating Rate Notes on such Payment Date;

(iii) the Interest Amount in respect of each class or subclass of Fixed Rate Notes on such Payment Date;

(iv) the Policy Premium due and owing to the Policy Provider on such Payment Date; and

(v) any interest due and owing to the Policy Provider on, or interest amounts that constitute, Policy Provider Obligations.

(c) Calculation of Principal and Other Amounts. The Cash Manager shall, not later than four Business Days prior to each Payment Date, calculate or determine the following:

(i) the Outstanding Principal Balance of each class and subclass of the Notes on such Payment Date immediately prior to any principal payment on such date;

(ii) the Adjusted Portfolio Value and the Assumed Portfolio Value on such Payment Date;

(iii) the Expected Target Principal Balance for each subclass of the Class G Notes Outstanding on such Payment Date with respect to each subclass of the Class G Notes; and

(iv) the Outstanding Principal Balance, if any, to be paid with respect to each class or subclass of Notes.

(d) Calculation of Refinancing Amounts. The Cash Manager shall, not later than two Business Days prior to each Business Day on which a Refinancing or Redemption of any subclass of Notes is scheduled to occur, perform the calculations necessary to determine the Redemption Price (including LIBOR Break Costs, if any) of and the accrued and unpaid interest on such Notes.

(e) Application of the Available Collections. The Cash Manager shall, not later than 1:00 p.m. New York City time on the third Business Day prior to each Payment Date, determine the amounts to be applied on such Payment Date to make each of the payments contemplated by

Section 3.09(a) or 3.09(b), as applicable, setting forth separately, the amount to be applied on such Payment Date pursuant to each clause of Section 3.09(a) or 3.09(b), as applicable, including, where applicable, the allocation of principal of the Notes in accordance with Section 3.10.

(f) Aircraft Acquisitions. No later than four Business Days prior to the Acquisition Date for each Aircraft, the Cash Manager (as directed by the Financial Administrative Agent) shall determine, and give the Trustee and Security Trustee a Written Notice setting out, the amounts to be paid under Section 3.03 or Section 3.05 for the applicable Aircraft (as applicable), the Acquisition Date and that the conditions to the purchase of such Aircraft set forth in each relevant Acquisition Agreement have been fulfilled.

(g) Calculations in respect of Initial Primary Liquidity Facility Drawings. The Cash Manager shall make the following calculations or determinations in respect of the Initial Primary Liquidity Facility and the Required Expense Amount, the Senior Hedge Payments and the Class G Notes:

(i) as soon as practicable after each Calculation Date, but in no event later than 12:00 p.m. New York City time on the date which is the third Business Day prior to each Payment Date, determine (after giving effect to the application of Available Collections in accordance with the applicable payment priorities set forth in Section 3.09), whether a shortfall exists as of such Calculation Date in the Available Collections to make payment on the next succeeding Payment Date of the Required Expense Amount due on such Payment Date (any such shortfall in respect of the Required Expense Amount and any Payment Date, a "Required Expenses Shortfall" therefor);

(ii) as soon as practicable after each Calculation Date, but in no event later than 12:00 p.m. New York City time on the date which is the third Business Day prior to each Payment Date, determine (after giving effect to the application of Available Collections in accordance with the applicable payment priorities set forth in Section 3.09) any shortfall (determined as of such Calculation Date) in the amount necessary for the payment in full of the Senior Hedge Payments to each applicable Hedge

Provider due on such Payment Date (any such shortfall of Senior Hedge Payments, the "Senior Hedge Payments Shortfall" therefor); and

(iii) as soon as practicable after each Calculation Date, but in no event later than 12:00 p.m. New York City time on the date which is the third Business Day prior to each Payment Date, determine (after giving effect to the application of Available Collections in accordance with the applicable payment priorities set forth in Section 3.09), whether a shortfall exists as of such Calculation Date in the Available Collections to make payment on the next succeeding Payment Date of the Interest Amount due on the Class G-3 Notes on such Payment Date (any such shortfall in respect of the Class G-3 Notes and any Payment Date, a "Liquidity Facility Interest Class G Shortfall" therefor).

(h) Calculations in respect of Policy Drawings. The Cash Manager shall make the following calculations or determinations in respect of the Policy and the Class G Notes:

(i) as soon as practicable after each Calculation Date, but in no event later than 12:00 p.m. New York City time on the date which is the third Business Day prior to each Payment Date, determine (after giving effect to the application of Available Collections in accordance with the applicable payment priorities set forth in Section 3.09, the application of LF Drawings to be made pursuant to the Initial Primary Liquidity Facility (or drawings under any Replacement Primary Liquidity Facility), any withdrawals from the Initial Primary Liquidity Reserve Account, any drawings under any other applicable Eligible Credit Facility and any

withdrawals from any applicable Cash Collateral Account), whether a shortfall exists as of such Calculation Date in the Available Collections to make payment on the next succeeding Payment Date of Accrued Class G Interest (but not, for the avoidance of doubt, Certain Interest on Unpaid Interest) due on the Class G-3 Notes on such Payment Date (any such shortfall in respect of the Class G-3 Notes and any Payment Date, an "Interest Class G Shortfall" therefor);

(ii) as soon as practicable after the Calculation Date next succeeding the date of a sale or other disposition of an Aircraft or of an Issuer Subsidiary which owns an Aircraft, but in no event later than 12:00 p.m. New York City time on the date which is the third Business Day prior to the next succeeding Payment Date, determine, the shortfall, if any, between the Class G Note Target Price (determined as of the date of disposition) of the disposed Aircraft (or of the Aircraft owned by the disposed Issuer Subsidiary) by or on behalf of, or at the direction of, the Controlling Party after an Acceleration of the Notes and the Net Sale Proceeds (as provided to the Cash Manager and the Policy Provider in a Written Notice from the Primary Servicer specifying the amounts of such proceeds) from the sale or other disposition of the relevant Aircraft (or of the Issuer Subsidiary owning such Aircraft) (the "Deficiency Class G Shortfall" with respect to the next succeeding Payment Date);

(iii) as soon as practicable after the Calculation Date immediately preceding the Final Maturity Date for the Class G-3 Notes, but in no event later than 12:00 p.m. New York City time on the date which is the third Business Day prior to such Final Maturity Date, determine (after giving effect to the application of Available Collections in accordance with the applicable payment priorities set forth in Section 3.09 and the application of any withdrawals from any Cash Collateral Account, in accordance with the terms hereof) any shortfall (determined as of such Calculation Date) in the amount necessary for the payment in full of the Outstanding Principal Balance of the Class G-3 Notes (less any Policy Drawings previously paid in respect of principal of the Class G-3 Notes) on the Final Maturity Date therefor together with accrued and unpaid interest thereon (at the Applicable Rate of Interest for the Class G-3 Notes) (any such shortfall of principal and interest in respect of the Class G-3 Notes on the Final Maturity Date, the "Outstanding Amount" therefor);

(iv) as promptly as practicable after the date of any Avoided Payment, calculate the amount of such Avoided Payment; and

(v) as soon as practicable after each Calculation Date on or following the date that is twenty-four months after the date (as determined by the Trustee and notified to the Policy Provider in writing) of the occurrence of an Event of Default under Section 4.01(a) or Section 4.01(b) that is continuing as of such Calculation Date or an Acceleration of the Notes, but in no event later than 12:00 p.m. New York City time on the date which is the third Business Day prior to the immediately succeeding Payment Date, determine (after giving effect to all payments and transfers to be made with respect to such Payment Date and the application of Available Collections in accordance with the applicable payment priorities set forth in Section 3.09 and the application of any LF Drawings to be made pursuant to the Initial Primary Liquidity Facility (or drawings under any Replacement Primary Liquidity Facility), any withdrawals from the Initial Primary Liquidity Reserve Account, any drawings under any other applicable Eligible Credit Facility and any withdrawals from any Cash Collateral Account, if any, in accordance with the terms hereof) the shortfall (determined as of such Calculation Date), if any, of Available Collections and such other amounts for the payment on the next succeeding Payment Date of the Insured Minimum Principal Payment Amount, if any, of the Class G-3 Notes for such Payment Date (with respect to any such Payment Date, a "Minimum Class G Principal Shortfall").

Section 3.08 Payment Date First Step Withdrawals and Transfers. Two Business Days prior to each Payment Date, the Cash Manager shall direct the Operating Bank to make, on such Payment Date, the following withdrawals from and transfers to the Accounts in each case as specified in a Written Notice of the Cash Manager to the Trustee, the Security Trustee and the Operating Bank (and, in the case of clauses (c) and (d) below, such direction shall be based on information provided by the Financial Administrative

Agent in a Written Notice to the Cash Manager specifying the amounts for such clauses):

(a) transfer the net proceeds of any Refinancing of any Notes from the Refinancing Account to any Cash Collateral Account established for the related Refinancing Notes (up to the Required Amount therefor in accordance with Section 3.03) and/or as Reserved Cash to the Collections Account (in accordance with Section 3.03) and the balance to the applicable Note Accounts, in each case in accordance with Sections 2.10(b) and 5.02(f);

(b) transfer any amounts on deposit in the Defeasance/Redemption Account in respect of any Redemption that is not a Refinancing to the applicable Note Accounts;

(c) transfer from each Lessee Funded Account to the Collections Account any available Segregated Funds that are no longer required to be maintained in a segregated account under the applicable Leases;

(d) transfer from the Collections Account to the relevant Lessee Funded Accounts the amount of any Segregated Funds then on deposit in the Collections Account;

(e) transfer from any Account (other than the Collections Account, the Aircraft Purchase Accounts and the Initial Primary Liquidity Reserve Account to the Collections Account the amount of Investment Earnings (net of losses and investment expenses), if any, on investments of funds on deposit therein during the preceding Interest Accrual Period, except that (a) earnings on any portion of the funds on deposit in any Account required under the terms of the related Lease to be repaid to the related Lessee shall be retained therein and (b) in the case of the Aircraft Purchase Account, any earnings on any portion of the purchase price funds in respect of an Aircraft on deposit in the Aircraft Purchase Account shall be retained therein for application in accordance with Section 3.05;

(f) after payment in full of all Conversion Payments to be made for any Aircraft Conversion, transfer any balance of the amount originally deposited in the Aircraft Conversion Account in respect of such Aircraft Conversion from the Aircraft Conversion Account to the Collections Account for application in accordance with Section 3.09; and

(g) after the giving of a Default Notice, during the continuation of an Acceleration Default or following the Interest Accrual Period in which an Aircraft Sale occurs with respect to the last remaining Aircraft, transfer any amounts remaining in the relevant Lessee Funded Account (other than amounts required to be maintained in such account pursuant to the terms of the related Lease or Aircraft Agreement) into the Collections Account.

Section 3.09 Payment Date Second Step Withdrawals. (a) On each Payment Date, after the withdrawals and transfers provided for in Section 3.08 have been made, the Cash Manager shall direct the Operating Bank to distribute from the Collections Account (or retain in the Collections Account, if so indicated in the relevant clause below) in each case as specified in a Written Notice of the Cash Manager to the Trustee, the Security Trustee and the Operating Bank at least two Business Days prior to such Payment Date, the amounts set forth below in the order of priority set forth below but, in each case, only to the extent that all Prior Ranking Amounts then required to be paid (or retained in the Collections Account, as applicable) have been paid (or retained in the Collections Account, as applicable) (*provided*

that the amount to be paid shall be reduced in inverse order of priority by the amount of any payment by a Hedge Provider under a Hedge Agreement that was assumed pursuant to Section 3.07(a)(iii) to be, but has not in fact been, paid on such Payment Date). All payments of Available Collections to be made to or for the account of Holders of any subclass of Notes pursuant to this Section 3.09 shall be made through a direct transfer of funds to the applicable Note Account with respect to such subclass of Notes.

(i) to the Expense Account, an amount such that the amount on deposit therein is at least equal to the Required Expense Amount for such Payment Date (including Policy Expenses);

(ii) in no order of priority *inter se*, but *pro rata* as to the amounts described below in clauses (A), (B) and (C) as follows: (A) to the Note Account for each subclass of Class G Notes, the Interest Amount on such subclass of Class G Notes in no order of priority *inter se* but *pro rata* according to the amount of accrued and unpaid interest on each such subclass of Class G Notes less the amount of any Interest Class G Drawing, if any, relating to such subclass of Class G Notes paid on or before such Payment Date by the Policy Provider under the Policy prior to such Payment Date to the extent not theretofore reimbursed to the Policy Provider as of such Payment Date and less the amount of any LF Drawing, if any, in respect of the Interest Amount due on such subclass of Class G Notes paid on or before such Payment Date by the Initial Primary Liquidity Facility Provider under the Initial Primary Liquidity Facility to the extent not theretofore reimbursed to the Initial Primary Liquidity Facility Provider as of such Payment Date, (B) *pro rata*, to any Hedge Provider, an amount equal to any Senior Hedge Payment due from any Issuer Group Member pursuant to any Hedge Agreement, and (C) to the Policy Provider, an amount equal to accrued interest (at the Applicable Rate of Interest with respect to the related subclass of Class G Notes) on the amount of a Policy Drawing paid by the Policy Provider under the Policy in respect of such subclass of Class G Notes prior to such Payment Date;

(iii) to the Policy Provider, (A) the amounts so paid by the Policy Provider in respect of any such Interest Class G Drawings referred to in clause (ii) above and (B) an amount equal to any Senior Hedge Payment made by the Policy Provider on behalf of an Issuer Group Member, in each case to the extent not theretofore reimbursed to the Policy Provider as of such Payment Date;

(iv) in no order of priority *inter se*, but *pro rata* as to the amounts described in clauses (A), (B) and (C) as follows: (A) to the Initial Primary Liquidity Reserve Account, such amount so that the amount on deposit in such Account is equal to the

Required Amount therefor, (B) to any Persons providing any Eligible Credit Facilities, any Credit Facility Advance Obligations payable to such Persons under the terms of their respective Eligible Credit Facilities (after giving effect to any payments made by the Policy Provider to the Persons providing such Eligible Credit Facilities as provided in the definition of "Controlling Party") and, to the extent any such Eligible Credit Facility consists of a Cash Collateral Account (other than the Initial Primary Liquidity Reserve Account), such amount so that the amount on deposit in each such Account is equal to the Required Amount therefor and (C) if the Policy Provider has paid any such Credit Facility Obligations, as so provided, to the Policy Provider, the amount of such payments to the extent not theretofore reimbursed to the Policy Provider (plus interest accrued thereon at the applicable rate under such Eligible Credit Facility that would have otherwise been payable to the Persons providing such Eligible Credit Facility from the date of such payment);

(v) to the Policy Provider, any Policy Premium due and owing to the Policy Provider and any accrued and unpaid interest on any Policy Premium;

(vi) to the Expense Account, such amount as an accrual (the "Permitted Accruals") in respect of any Modification Payments or Refinancing Expenses as the Cash Manager shall determine;

(vii) to the Note Accounts for each subclass of the Class G Notes, in the order of priority by subclass set forth in Section 3.10, an amount equal to the Outstanding Principal Balance of each such subclass;

(viii) to pay Special Indemnity Payments to the applicable party *pro rata*;

(ix) payments to Hedge Providers, *pro rata inter se*, that are Subordinated Hedge Payments;

(x) to the Note Accounts for each subclass of Class E Notes, the Interest Amount on such subclass of Class E Notes in no order of priority *inter se*, but *pro rata* according to the amount of accrued and unpaid interest on such subclass of Class E Notes;

(xi) to the Note Account for each subclass of Class E Notes, in the order of priority by subclass set forth in Section 3.10, an amount equal to the Outstanding Principal Balance of each such subclass; and

(xii) to the Charitable Trustee for the Charitable Trust, all remaining amounts.

(b) Anything to the contrary contained in Section 3.09(a) notwithstanding, following delivery to the Issuer and the Cash Manager of a Default Notice or during the continuance of an Acceleration Default, the allocation of payments described in Section 3.09(a) shall not apply and the Cash Manager shall direct the Operating Bank in writing to cause all amounts on deposit in the Collections Account and the Expense Account to be applied on each Payment Date in the following order of priority:

(i) to the Expense Account, an amount such that the amount on deposit therein is equal to the Required Expense Amount for such Payment Date (including Policy Expenses);

(ii) in no order of priority *inter se*, but *pro rata* as to the amounts described in clauses (A) and (B) as follows: (A) to any Persons providing any Eligible Credit Facilities, *pro rata inter se*, any Credit Facility Advance Obligations payable to such Persons under the terms of their respective Eligible Credit Facilities (after giving effect to any payments made by the Policy Provider to the Persons providing such Eligible Credit Facilities as provided in the definition of "Controlling Party") and (B) if the Policy Provider has paid any such Credit Facility Advance Obligations, as so provided, to the Policy Provider the amount of such payments to the extent not theretofore reimbursed to the Policy Provider (plus interest accrued thereon at the applicable rate under such Eligible Credit Facility that would have otherwise been payable to the Persons providing such Eligible Credit Facility from the date of such payment);

(iii) to the Policy Provider, any Policy Premium due and payable to the Policy Provider and any accrued and unpaid interest on any Policy Premium;

(iv) in no order of priority *inter se*, but *pro rata* as to the amounts described in clauses (A), (B) and (C): (A) first, to the Note Accounts for each subclass of Class G Notes, the Interest Amount on such subclass of Class G Notes in no order of priority *inter se* but *pro rata* according to the amount of accrued and unpaid interest on such subclass of Class G Notes less the amount of any Interest Class G Drawing, if any, relating to such subclass of Class G Notes paid

on or before such Payment Date by the Policy Provider under the Policy prior to such Payment Date to the extent not theretofore reimbursed to the Policy Provider as of such Payment Date and less the amount of any LF Drawing, if any, in respect of the Interest Amount due on such subclass of Class G Notes paid on or before such Payment Date by the Initial Primary Liquidity Facility Provider under the Initial Primary Liquidity Facility to the extent not theretofore reimbursed to the Initial Primary Liquidity Facility Provider as of such Payment Date, and second, to the Policy Provider, (I) the amounts so paid by the Policy Provider in respect of such Interest Class G Drawings to the extent not theretofore reimbursed to the Policy Provider as of such Payment Date and (II) an amount equal to any Senior Hedge Payment made by the Policy Provider on behalf of an Issuer Group

Member, in each case to the extent not theretofore reimbursed to the Policy Provider; (B) *pro rata* to any Hedge Provider, such amounts as are required to make any Senior Hedge Payments due to such Hedge Provider pursuant to any Hedge Agreement and (C) to the Policy Provider, an amount equal to the accrued interest (at the Applicable Rate of Interest with respect to the relevant subclass of Class G Notes) on any amounts paid by the Policy Provider under the Policy in respect of a subclass of Class G Notes prior to such Payment Date to the extent not theretofore reimbursed to the Policy Provider;

(v) first, to the Note Accounts for each subclass of Class G Notes, the Outstanding Principal Balance of such subclass of Class G Notes in no order of priority *inter se* but *pro rata* according to the amount of the principal of such subclass of Class G Notes less the amounts of Policy Drawings in respect of the principal of the Class G Notes, if any, paid by the Policy Provider under the Policy for periods prior to such Payment Date to the extent not theretofore reimbursed to the Policy Provider, and

second, to the Policy Provider, an amount equal to the amount of Policy Drawings in respect of principal of the Class G Notes paid by the Policy Provider under the Policy prior to such Payment Date to the extent not theretofore reimbursed to the Policy Provider as of such Payment Date,

(vi) to pay Special Indemnity Payments to the applicable party *pro rata*;

(vii) to any Hedge Provider, *pro rata inter se*, such amounts as are required to make any Subordinated Hedge Payments due to such Hedge Provider;

(viii) in no order of priority *inter se*, but *pro rata* in respect of amounts outstanding or payable on such date, to the Note Accounts for each subclass of Class E Notes, all accrued and unpaid interest on, and the Outstanding Principal Balance of such subclass of Class E Notes; and

(ix) to the Charitable Trustee for the Charitable Trust, all remaining amounts.

Section 3.10 Allocations of Principal Payments Among Subclasses of the Notes. To the extent that any payment of principal pursuant to Section 3.09(a) is allocable to any class of Notes on any Payment Date, such payment will be applied to repay all Notes in such class in the following order of priority: (i) First, to each such subclass, in no order of priority *inter se*, but *pro rata* according to the amount of, but not to exceed, the excess, if any, of the Outstanding Principal Balance of each such subclass over the product of the applicable Pool Factor on such Payment Date and the initial principal balance of each such subclass; (ii) Second, to each such subclass with an Expected Final Payment Date that falls on or before such Payment Date, in order of the earliest issued subclass; *provided* that in the case of two or more subclasses issued on the same date, the Available Collections will be applied to such subclasses in order of the subclass with the earliest Expected Final Payment Date and, with respect to any two or more subclasses having the same Expected Final Payment Date, the Available Collections will be

applied to such subclasses *pro rata* according to the Outstanding Principal Balance of each such subclass (after giving effect to any payment under clause (i) above) on such Payment Date; and (iii) Third, to each such subclass in order of the earliest Expected Final Payment Date, provided, in the case of two or more subclasses having the same Expected Final Payment Date, in no order of priority *inter se*, but *pro rata*, according to the Outstanding Principal Balance of each such subclass (after giving effect to any payment under clauses (i) and (ii) above) on such Payment Date.

Section 3.11 Certain Redemptions; Certain Premiums. (a) Optional Redemption. Subject to the provisions of Section 3.11(c), on any Business Day the Issuer may elect to redeem (including in connection with any Refinancing) any subclass of the Class G Notes in whole or in part (provided, that, any such Refinancing prior to the third anniversary of the Second Closing Date shall require the Policy Provider's consent whether or not a Policy Non-Consent Event will occur in connection with such Refinancing) out of amounts available in the Defeasance/Redemption Account or, in the case of a Refinancing, the Refinancing Account, for such purpose, if any, other than, in either such case, any funds constituting part of the Available Collections, at the Redemption Price (including any LIBOR Break Costs) plus any accrued and unpaid interest (after giving effect to any payment thereof on such Redemption Date under Section 3.09) on the Notes to be redeemed on the Redemption Date plus the Policy Redemption Premium, if any; *provided* that after the giving of a Default Notice or the Acceleration of any Notes, the Notes may be redeemed only in whole but not in part pursuant to this Section 3.11(a); and *provided further* that Written Notice of any such Redemption shall be given by the Issuer (or the Administrative Agent on its behalf) to the Trustee not less than ten days and not more than thirty days prior to such Redemption Date.

(b) Redemption for Taxation Reasons. Subject to the provisions of Section 3.11(c), if, at any time,

(i) the Issuer is, or on the next succeeding Payment Date will be, required to make any withholding or deduction under the laws or regulations of any applicable tax authority with respect to any payment on any subclass of Class G Notes; or

(ii) the Issuer is or will be subject to any circumstance (whether by reason of any law, regulation, regulatory requirement or double-taxation convention, or the interpretation or application thereof, or otherwise) that has resulted or will result in the imposition of a tax (whether by direct assessment or by withholding at source) or other similar imposition by any jurisdiction that would (A) materially increase the cost to the Issuer of making payments in respect of any subclass of Class G Notes or of complying with its obligations under or in connection with the Notes; (B) materially increase the operating or administrative expenses of the Issuer or the Charitable Trust under which 95.1% of the ordinary share capital of the Issuer is held; or (C) otherwise obligate the Issuer or any of its subsidiaries to make any material payment on, or calculated by reference to, the amount of any sum received or receivable by the Issuer, or by the Cash Manager on behalf of the Issuer Group as contemplated by

the Cash Management Agreement;

then the Issuer shall inform the Trustee in writing at such time of any such requirement or imposition and shall use commercially reasonable efforts to avoid the effect of the same; *provided* that no actions shall be taken by the Issuer to avoid such effects without a Rating Agency Confirmation and the prior written consent of the Policy Provider. If, after using its commercially reasonable efforts to avoid the adverse effects described above, any Issuer Group Member has not avoided such effects, the Issuer may, at its election, redeem the affected subclass of Class G Notes on any Business Day, in whole, at the Outstanding Principal Balance thereof plus accrued and unpaid interest (after giving effect to any payment thereof on such Redemption Date under Section 3.09) thereon to such Business Day but without

premium and plus the Policy Redemption Premium, if any; *provided*, *however*, that any such Redemptions may not occur more than 30 days prior to such time as the requirement or imposition described in (i) or (ii) above is to become effective; *provided further* that Written Notice of any such Redemption shall be given by the Issuer (or the Administrative Agent on its behalf) to the Trustee and the Policy Provider not less than ten days and not more than thirty days prior to the Redemption Date for such Redemption.

(c) Method of Redemption. Upon receipt of notice from the Issuer or the Administrative Agent under Section 3.11(a) or 3.11(b), the Trustee shall give Written Notice in respect of any such redemption of any subclass of Class G Notes under Section 3.11(a) or 3.11(b) (a "Redemption") to the Depositary (and each Holder of Class E Notes), to each holder of interests in such subclass of Class G Notes (if such holder is an Institutional Accredited Investor) and the Policy Provider and, for so long as any Notes are admitted to the Official List of the Irish Stock Exchange and to trading on the Alternative Securities Market, to the Listing Agent for delivery on its behalf to the Companies Announcement Office of the Irish Stock Exchange, at least three Business Days before the Redemption Date for such Redemption. The Depositary shall forward such notice of Redemption to DTC or its nominee with any additional instructions applicable to owners of book-entry interests. If a Redemption is of less than all of the Class G Notes of any subclass, Class G Notes of such subclass to be redeemed will be repaid *pro rata* according to the Outstanding Principal Balance of each such subclass, to the extent moneys are available. Except in the case of a Refinancing or a Redemption (subject to the conditions specified in clause (e) below), the Trustee shall not deliver any notice under this Section 3.11(c) unless and until the Trustee shall have received certification that all conditions precedent to such Redemption have been satisfied and evidence satisfactory to it that the amounts required to be deposited pursuant to Section 3.11(d) are, or will on or before the Redemption Date be, deposited in the Defeasance/Redemption Account. Each notice in respect of a Redemption given pursuant to this Section 3.11(c) shall state (i) the applicable Redemption Date and that such Redemption may be revoked or cancelled as provided in clause (e) below, (ii) the Trustee's arrangements for making payments in respect of such Redemption, (iii) the Redemption Price or the Outstanding Principal Balance of each subclass of Class G Notes to be redeemed, (iv) in the case of a Redemption of the Class G Notes of any subclass in whole, the Class G Notes of such subclass to be redeemed in whole must be surrendered to the Trustee to collect the Redemption Price (including LIBOR Break Costs, if any) plus accrued and unpaid interest on such Notes and (v) in the case of a Redemption of the Class G Notes of any subclass in whole, that, unless the Redemption Price and any accrued and unpaid interest thereon is not paid, interest on the subclass of Class G Notes called for Redemption shall cease to accrue on and after the Redemption Date.

(d) Deposit of Redemption Amount. On or before 10:00 a.m. (New York City time) on the Redemption Date in respect of a Redemption under Section 3.11(a) unless such Redemption has been revoked or cancelled as provided in clause (e) below, the Issuer shall, to the extent an amount equal to the Redemption Price of Class G Notes to be redeemed and all accrued and unpaid interest (after giving effect to any payment thereof on such Redemption Date under Section 3.09) thereon, the Required Expense Amount and all unpaid Policy Provider Obligations as of the Redemption Date is not then held on deposit therein, deposit or cause to be deposited in the Defeasance/Redemption Account or, in the case of a Refinancing, the Refinancing Account, other than, in either case, any funds constituting part of the Available Collections, an amount in immediately available funds equal to such amount. On or before 10:00 a.m. (New York City time) on the Redemption Date in respect of a Redemption under Section 3.11(b) unless such Redemption has been revoked or cancelled as provided in clause (e) below, the Issuer shall, to the extent an amount equal to the Outstanding Principal Balance of Class G Notes to be redeemed and all accrued and unpaid interest (after giving effect to any payment thereof on such Redemption Date under Section 3.09) thereon, the Required Expense Amount and all unpaid Policy Provider Obligations as of the Redemption Date is not then held on deposit therein, deposit or cause to be

deposited in the Defeasance/Redemption Account or, in case of a Refinancing, the Refinancing Account, an amount in immediately available funds equal to such amount.

(e) Notes Payable on Redemption Date. After notice has been given under Section 3.11(c), the Outstanding Principal Balance of the Class G Notes to be redeemed on such Redemption Date shall, unless such Redemption has been revoked or cancelled as provided in the next succeeding sentence, become due and payable at the Corporate Trust Office of the Trustee, and from and after such Redemption Date (unless the applicable amount to be redeemed is not paid) such principal amount shall cease to bear interest. The Issuer may revoke or cancel a Redemption at any time if after the date of the issuance of the notice of Redemption, there shall have occurred any change or any development which would reasonably be expected to result in a prospective change in or affect the ability of the Issuer to perform its obligations under this Indenture or any other Related Document or in the general economic, political or financial conditions in the United States or elsewhere, the effect of which, in the judgment of the Board, is material and adverse and makes it impracticable or inadvisable to proceed with the Redemption of the applicable subclass of Notes on the Redemption Date. Upon surrender of any Class G Note for redemption in accordance with such notice, the Redemption Price or the Outstanding Principal Balance (as applicable) of such Note, together with accrued and unpaid interest on such Note plus LIBOR Break Costs (if any) shall be paid as provided for in this Section 3.11. If any Class G Note to be redeemed shall not be so paid upon surrender thereof for redemption, the amount in respect

thereof shall continue to bear interest until paid from the Redemption Date at the interest rate applicable to such Note.

Section 3.12 Adjustment of Certain Factors and Balances. Upon the issuance of any Additional Notes or Refinancing Notes, subject to Sections 5.02(f) and 5.02(h) (as applicable), the Pool Factors and the Expected Target Principal Balances for any subclass of Notes may be adjusted to take into account the issuance of such Additional Notes or Refinancing Notes, as the case may be, in the manner specified in the Board Resolution providing for such action; *provided* that no Pool Factor or Expected Target Principal Balance for any subclass of Notes may be adjusted so as to extend the original Expected Final Payment Date of the affected subclass of Notes (as determined as of the date of such issuance, and specified in the offering document related to such issuance) by more than twelve months. The Administrative Agent shall include such adjusted Pool Factors and Expected Target Principal Balances in each Quarterly Report and Annual Report.

Section 3.13 Eligible Credit Facilities. Notwithstanding Section 3.09, Article X, or anything else to the contrary contained in this Indenture or the Security Trust Agreement, all amounts available in any Cash Collateral Account or drawn against any other Eligible Credit Facility shall be paid to Holders of the subclass of Notes (and holders of other obligations) for whose benefit such Eligible Credit Facility is stated to be established except to the extent otherwise provided in the Board Resolutions providing for such Eligible Credit Facility.

Section 3.14 Initial Primary Liquidity Facility. (a) LF Drawings. If the Cash Manager determines that on any Payment Date after making all withdrawals (for the avoidance of doubt, prior to any drawings under the Initial Primary Liquidity Facility or the Policy and/or withdrawals, if any, from the Initial Primary Liquidity Reserve Account) and transfers to be made with respect to such Payment Date, there will be insufficient funds in the Collections Account (x) to transfer to the Expense Account an amount such that the amount on deposit therein is equal to the Required Expense Amount for such Payment Date, (y) to pay Senior Hedge Payments to each applicable Hedge Provider, in each case as provided in Section 3.09 or (z) to pay the Interest Amount for the Class G-3 Notes as provided in Section 3.09, the Cash Manager shall so notify the Trustee in writing under Section 3.07 and shall, no later than 6:00 p.m. (New York City time) three Business Days prior to such Payment Date, request a drawing (each such drawing, an "LF Drawing") under the Initial Primary Liquidity Facility, to be paid on such Payment Date, in an amount equal to the lesser of (a) an amount equal to the related aggregate

shortfall in making the payments set forth in clauses (x), (y) and (z) above and (b) the Available Amount under the Initial Primary Liquidity Facility.

(b) Application of LF Drawings. The Cash Manager shall direct the Initial Primary Liquidity Facility Provider to distribute the proceeds of any LF Drawing to the Initial Primary Liquidity Payment Account, and the Cash Manager shall direct the Operating Bank to withdraw such proceeds from the Initial Primary Liquidity Payment Account and the Trustee shall, as set out in a Written Notice from the Cash Manager, apply such amount, first, to the Expense Account an amount such that the amount on deposit therein is at least equal to the Required Expense Amount for the applicable Payment Date, and second, in no order of priority *inter se*, but *pro rata*, (1) to the Note Account for the Class G-3 Notes, the Interest Amount on the Class G-3 Notes and (2) *pro rata*, to any Hedge Provider, an amount equal to any Senior Hedge Payment due from any Issuer Group Member pursuant to any Hedge Agreement.

(c) Downgrade Drawings. The Initial Primary Liquidity Provider shall notify the Issuer and the Policy Provider promptly upon the occurrence of a Downgrade Event with respect to the Initial Primary Liquidity Provider. Upon the occurrence of a Downgrade Event with respect to the Initial Primary Liquidity Facility, unless (i) the Initial Primary Liquidity Provider or the Issuer arranges for a Replacement Primary Liquidity Provider to issue and deliver a Replacement Primary Liquidity Facility to the Issuer within 10 days after receiving notice of such Downgrade Event (but not later than the expiration date of the Initial Primary Liquidity Facility) or (ii) the Initial Primary Liquidity Facility Provider shall have received a Rating Agency Confirmation for the Class G Notes with respect to the Downgrade Event (and the written consent of the Policy Provider to the retention of such Initial Primary Liquidity Facility Provider shall have been obtained and the Policy Provider shall have confirmed in writing that such downgrading will not constitute a "Downgrade Event" with respect to the Initial Primary Liquidity Facility) within such 10-day period, the Cash Manager shall, on such 10th day (or if such 10th day is not a Business Day, on the next succeeding Business Day) (or, if earlier, the expiration date of the Initial Primary Liquidity Facility), request a drawing in accordance with and to the extent permitted by the Initial Primary Liquidity Facility (such drawing, a "Downgrade Drawing") of the Available Amount thereunder. Amounts drawn pursuant to a Downgrade Drawing shall be deposited into the Initial Primary Liquidity Reserve Account.

(d) Non-Extension Drawings. If the Initial Primary Liquidity Facility is scheduled to expire on a date (the "Stated Expiration Date") prior to the date that is 15 days after the Final Maturity Date with respect to the Class G Notes, then, no earlier than the 60th day and no later than the 30th day prior to the applicable Stated Expiration Date then in effect, the Cash Manager shall request that the Initial Primary Liquidity Facility Provider extend the Stated Expiration Date until the earlier of (i) the date which is 15 days after the Final Maturity Date with respect to the Class G Notes and (ii) the date that is the day immediately preceding the 364th day occurring after the Stated Termination Date then in effect (unless the obligations of the Initial Primary Liquidity Facility Provider under the Initial Primary Liquidity Facility are earlier terminated in accordance with the Initial Primary Liquidity Facility). If on or before the date which is 10 days prior to the Stated Expiration Date, (A) the Initial Primary Liquidity Facility shall not have been replaced in accordance with Section 3.14(e) or (B) the Initial Primary Liquidity Facility Provider fails irrevocably and unconditionally to advise the Cash Manager that such Stated Expiration Date then in effect shall be so extended, the Cash Manager shall immediately, in accordance with the terms of the Initial Primary Liquidity Facility (a "Non-Extended Facility"), request a drawing under the Initial Primary Liquidity Facility (such drawing, a "Non-Extension Drawing") of the Available Amount thereunder. Amounts drawn pursuant to a Non-Extension Drawing shall be deposited into the Initial Primary Liquidity Reserve Account.

(e) Issuance of Replacement Liquidity Facility. (i) If the Initial Primary Liquidity Provider shall determine not to extend

the Initial Primary Liquidity Facility in accordance with Section 3.14(d),

then either the Initial Primary Liquidity Facility Provider or the Issuer may, at their respective options, arrange for a Replacement Primary Liquidity Facility to replace the Initial Primary Liquidity Facility during the period no earlier than 35 days and no later than 10 days prior to the then effective Stated Expiration Date.

(ii) If a Downgrade Event shall have occurred with respect to the Initial Primary Liquidity Facility in accordance with Section 3.14(c), then either the Initial Primary Liquidity Facility Provider or the Issuer may, at their respective options, arrange for a Replacement Primary Liquidity Facility to replace the Initial Primary Liquidity Facility within 10 days after receiving notice of such Downgrade Event (but not later than the expiration date of the Initial Primary Liquidity Facility); *provided*, *however*, that the Initial Primary Liquidity Facility Provider may, at its option, arrange for a Replacement Primary Liquidity Facility at any time following a Downgrade Drawing so long as the Issuer has not already arranged for a Replacement Primary Liquidity Facility and no withdrawal by the Cash Manager has been previously made from the Initial Primary Liquidity Reserve Account under Section 3.14(f)(iii).

(iii) (A) At any time after the then Stated Expiration Date of the Initial Primary Liquidity Facility has been extended for a period in excess of a 364-day period, the Initial Primary Liquidity Facility Provider may, at its option, arrange for a Replacement Primary Liquidity Facility to replace the Initial Primary Liquidity Facility.

(B) No Replacement Primary Liquidity Facility arranged by the Initial Primary Liquidity Facility Provider or the Issuer in accordance with clauses (i), (ii) and (iii)(A) above shall become effective and no such Replacement Primary Liquidity Facility shall be deemed an "Eligible Credit Facility" under this Indenture, unless and until (x) each of the conditions referred to in subclause (C) below shall have been satisfied, and (y) in the case of a Replacement Primary Liquidity Facility arranged by the Initial Replacement Liquidity Facility Provider, such Replacement Primary Liquidity Facility is acceptable to the Issuer.

(C) In connection with the issuance of each Replacement Primary Liquidity Facility, (x) the Cash Manager shall, prior to the issuance of such Replacement Primary Liquidity Facility, have received a Rating Agency Confirmation with respect to the Class G Notes (without regard to any downgrading of any rating of the Initial Primary Liquidity Facility Provider being replaced pursuant to Section 3.14(c) hereof and without regard to the Policy), (y) upon receipt of a Written Notice from the Financial Administrative Agent to the Cash Manager setting forth the amount of Credit Facility Obligations then owing to the replaced Initial Primary Liquidity Facility Provider, the Cash Manager shall direct the Operating Bank to pay to the replaced Initial Primary Liquidity Facility Provider all Credit Facility Obligations then owing to the replaced Initial Primary Liquidity Facility Provider (which payment shall be made first from available funds in the Initial Primary Liquidity Reserve Account, and thereafter from any other available source, including, without limitation, a drawing under the Replacement Primary Liquidity Facility) and (z) the issuer of the Replacement Primary Liquidity Facility shall deliver the Replacement Primary Liquidity Facility to the Cash Manager, together with a legal opinion opining that such Replacement Primary Liquidity Facility has been duly authorized, executed and delivered by, and is an enforceable obligation of, such Replacement Primary Liquidity Facility Provider, such legal opinion to be reasonably satisfactory to the Policy Provider unless the legal opinion of counsel to the Replacement Primary Liquidity Provider is in form and substance substantially the same

as the legal opinion of counsel to the Initial Primary Liquidity Facility Provider delivered on the Second Closing Date.

(D) Upon satisfaction of the conditions set forth in clauses (B) and (C) of this Section 3.14(e)(iii) with respect to a Replacement Primary Liquidity Facility, (w) the replaced Initial Primary Liquidity Facility shall terminate, (x) the Cash Manager shall, if and to the extent so requested by the Issuer or the Initial Primary Liquidity Facility Provider being replaced, execute and deliver any certificate or other instrument required in order to terminate the replaced Initial Primary Liquidity Facility, shall surrender the replaced Initial Primary Liquidity Facility to the Initial Primary Liquidity Facility Provider being replaced and shall execute and deliver the Replacement Primary Liquidity Facility, (y) each of the parties hereto shall enter into any amendments to this Indenture and any other Related Documents necessary to give effect to (1) the replacement of the applicable Initial Primary Liquidity Facility Provider with the applicable Replacement Primary Liquidity Provider and (2) the replacement of the applicable Initial Primary Liquidity Facility with the applicable Replacement Primary Liquidity Facility and (z) such Replacement Primary Liquidity Provider shall be deemed to be a provider of an Eligible Credit Facility with the rights and obligations of the Initial Primary Liquidity Facility Provider hereunder and under the other Related Documents and such Replacement Primary Liquidity Facility shall be deemed to be an Eligible Credit Facility (and, if so designated by the Board, the "Initial Primary Liquidity Facility") hereunder and under the other Related Documents.

(f) Cash Collateral Account; Withdrawals; Investments. In the event the Cash Manager shall draw all available amounts under the Initial Primary Liquidity Facility pursuant to Section 3.14(c), 3.14(d) or 3.14(i), or in the event amounts are to be deposited into the Initial Primary Liquidity Reserve Account pursuant to clause (v) of Section 3.09(a), amounts so drawn or to be deposited, as the case may be, shall be deposited by the Cash Manager into the Initial Primary Liquidity Reserve Account. All amounts on deposit in the Initial Primary Liquidity Reserve Account shall be invested and reinvested in accordance with Section 3.02. The Cash Manager shall provide

the Initial Primary Liquidity Facility Provider with read only access to the Initial Primary Liquidity Reserve Account which will indicate the Investment Earnings held in the Initial Primary Liquidity Reserve Account as of the applicable Calculation Date. On each Payment Date, the Cash Manager shall direct the Operating Bank to pay to the Initial Primary Liquidity Facility Provider all Investment Earnings on amounts on deposit in the Initial Primary Liquidity Reserve Account. In addition, from and after the date funds are deposited in the Initial Primary Liquidity Reserve Account, the Cash Manager shall make withdrawals from such account as follows:

(i) in accordance with Section 3.01(n);

(ii) on any Payment Date, if the amount in the Initial Primary Liquidity Reserve Account exceeds the Required Amount therefor, then the Cash Manager shall direct the Operating Bank to withdraw from the Initial Primary Liquidity Reserve Account such excess and pay such amount to the Initial Primary Liquidity Facility Provider;

(iii) if a Replacement Primary Liquidity Facility shall be delivered to the Cash Manager following the date on which funds have been deposited into the Initial Primary Liquidity Reserve Account, the Cash Manager shall direct the Operating Bank to withdraw all amounts on deposit in the Initial Primary Liquidity Reserve Account and shall pay such amounts to the replaced Initial Primary Liquidity Facility Provider until all Credit Facility Obligations owed to

such Person shall have been paid in full, and shall deposit any remaining amount in the Collections Account;

(iv) upon the payment in full of the Outstanding Principal Balance of, and accrued interest on, the Class G Notes, the Cash Manager shall direct the Operating Bank to withdraw all amounts from the Initial Primary Liquidity Reserve Account and pay such amounts to the Initial Primary Liquidity Facility Provider until all Credit Facility Obligations owed to the Initial Primary Liquidity Facility Provider shall have been paid in full, and to deposit any remaining amount in the Collections Account; and

(v) 15 days after the Final Maturity Date with respect to the Class G Notes, the Cash Manager shall direct the Operating Bank to withdraw all amounts on deposit in the Initial Primary Liquidity Reserve Account and shall pay such amounts to the Initial Primary Liquidity Facility Provider until all Credit Facility Obligations owed to such Person shall have been paid in full and shall deposit any remaining amount in the Collections Account.

(g) Reinstatement. With respect to any LF Drawing under the Initial Primary Liquidity Facility, upon the reimbursement to the Initial Primary Liquidity Facility Provider in full or in part of the amount of such LF Drawing, together with any accrued interest thereon, the Available Amount of the Initial Primary Liquidity Facility shall be reinstated by an amount equal to the amount of such LF Drawing so reimbursed to the Initial Primary Liquidity Facility Provider but not to exceed the Maximum Commitment; *provided*, *however*, that the Initial Primary Liquidity Facility shall not be so reinstated in part or in full at any time if (x) a Liquidity Event of Default shall have occurred and be continuing or (y) a Downgrade Drawing, Non-Extension Drawing or Final Drawing shall have occurred.

(h) Reimbursement. The amount of each LF Drawing under the Initial Primary Liquidity Facility and any amounts withdrawn from the Initial Primary Liquidity Reserve Account following a Downgrade Drawing, Non-Extension Drawing or a Final Drawing shall be due and payable, together with interest thereon, on the dates and at the rates, respectively, provided in the Initial Primary Liquidity Facility but only to the extent that Available Collections are sufficient to pay such amounts in the order of priority set forth in Section 3.09.

(i) Final Drawing. Upon receipt from the Initial Primary Liquidity Provider of a Termination Notice with respect to the Initial Primary Liquidity Facility, the Cash Manager shall, not later than the date specified in such Termination Notice, in accordance with the terms of the Initial Primary Liquidity Facility, request a drawing under the Initial Primary Liquidity Facility of the Available Amount thereunder (a "Final Drawing"). Amounts drawn pursuant to a Final Drawing shall be deposited into the Initial Primary Liquidity Reserve Account.

(j) Initial Primary Liquidity Facility Provider Consent. To the extent that the Initial Primary Liquidity Facility Provider's consent or approval is required under this Indenture or any other Related Document, such consent is not required in the event that (x) no Class G Notes are Outstanding and (y) no Credit Facility Advance Obligations are due and owing to the Initial Primary Liquidity Facility Provider (and, in the case of any issuance of any Additional Notes, an Initial Primary Liquidity Facility Non-Consent Event has occurred).

Section 3.15 The Policy. The Policy Provider shall issue a Policy in favor of the Trustee for the benefit of the Holders of the Class G-3 Notes, and the following shall apply to the Policy and to the Class G-3 Notes subject thereto:

(a) Interest Drawings. If the Cash Manager determines that there is an Interest Class G Shortfall in respect of the Class G-3 Notes for any Payment Date (other than the Final Maturity Date and the date of the Final Policy Election) the Cash Manager shall, prior to 12:00 p.m. (New York City time) on the third Business Day prior to such Payment Date, instruct the Trustee to request and the Trustee shall, no later than 12:00 p.m. (New York City time) on the second Business Day prior to such Payment Date, request a Policy Drawing (each, an "Interest Class G Drawing") under the Policy in respect of the Class G-3 Notes (for payment into the related Note Account) in an amount equal to the Interest Class G Shortfall for the Class G-3 Notes with respect to such Payment Date. Any request received after

12:00 p.m. (New York City time) on any Business Day shall be deemed to have been received by the Policy Provider on the next Business Day. Upon receipt of any such request for a Policy Drawing, the Policy Provider or its fiscal agent shall pay, no later than 12:00 p.m. (New York City time) on the later of (i) the applicable Payment Date and (ii) the second Business Day following the Business Day on which the Policy Provider received the Trustee's request referred to above, into the Note Account for the Class G-3 Notes the amount of the Interest Class G Shortfall for the Class G-3 Notes with respect to such Payment Date. Upon receipt, the Trustee shall direct the payment of the amount in such Note Account to the Holders of the Class G-3 Notes in payment of the Interest Class G Shortfall therefor.

(b) Proceeds Deficiency Drawing. If at any time after an Event of Default with respect to the Class G Notes (including, for the avoidance of doubt, any Event of Default described in Section 4.01(d), (e), (f), (g) and (h)), there is a sale or other disposition of an Aircraft or of an Issuer Subsidiary that owns an Aircraft in each case, by or on behalf of, or at the direction of, the Controlling Party after an Acceleration of the Notes, and there is a Deficiency Class G Shortfall resulting therefrom (calculated as provided in Section 3.07(h)(ii)), the Cash Manager shall, prior to 12:00 p.m. (New York City time) on the third Business Day prior to the next succeeding Payment Date, instruct the Trustee to request and the Trustee, no later than 12:00 p.m. (New York City time) on the second Business Day prior to such Payment Date, shall request a Policy Drawing (each, a "Deficiency Drawing") under the Policy in respect of the Class G-3 Notes (for payment into the related Note Account) in an amount equal to the Deficiency Class G Shortfall for the Class G-3 Notes with respect to such Payment Date (for payment into the related Note Account) on such Payment Date. Any request received after 12:00 p.m. (New York City time) on any Business Day shall be deemed to have been received by the Policy Provider on the next Business Day. Upon receipt of any such request, the Policy Provider or its fiscal agent shall, no later than 12:00 p.m. (New York City time) on the later of (i) the applicable Payment Date and (ii) the second Business Day following the Business Day on which the Policy Provider received Trustee's request referred to above, pay under the Policy, in respect of the Class G-3 Notes an amount equal to the Deficiency Class G Shortfall for the Class G-3 Notes with respect to such Payment Date. Upon receipt, the Trustee shall direct the payment of the amount in such Note Account to the Holders of the Class G-3 Notes in payment of the Deficiency Class G Shortfall therefor.

(c) No Proceeds Drawing. If, on any Payment Date (other than the Final Maturity Date of the Class G-3 Notes and the date of the Final Policy Election) falling on or after the date that is 24 months after the date of the occurrence of an Event of Default under Section 4.01(a) or Section 4.01(b) that is continuing as of the Calculation Date immediately preceding such Payment Date or an Acceleration of the Notes (the "Non-Performance Period"), there is a Minimum Class G Principal Shortfall in respect of the Notes for the then next succeeding Payment Date (calculated as provided in Section 3.07(h)(v)), the Cash Manager shall, no later than 12:00 p.m. (New York City time) on the third Business Day prior to such Payment Date, instruct the Trustee to request and the Trustee shall, no later than 12:00 p.m. (New York City time) on the second Business Day prior to such Payment Date, request, a Policy Drawing (each, a

"No Proceeds Drawing") under the Policy (for payment into the applicable Note Account) in an amount equal to the Minimum Class G Principal Shortfall with respect to such Payment Date. Any request received after 12:00 p.m. (New York City time) on any Business Day or on any day that is not a Business Day shall be deemed to have been received by the Policy Provider on the next Business Day. Upon receipt of such request, the Policy Provider or its fiscal agent shall, no later than 12:00 p.m. (New York City time) on the later of (i) the applicable Payment Date and (ii) the second Business Day following the Business Day on which the Policy Provider receives the Trustee's request referred to above, pay under the Policy an amount equal to the Minimum Class G Principal Shortfall with respect to such Payment Date. Upon receipt, the Trustee shall direct the payment of the amount in the related Note Account to the Holders of the Class G-3 Notes in payment of the Minimum Class G Principal Shortfall therefor.

Notwithstanding the preceding paragraph, with respect to any Payment Date occurring on or after the date of the occurrence of an Event of Default with respect to the Class G-3 Notes that is continuing on the date of the Final Policy Election, and subject to the occurrence of the earlier of (x) the date of a Policy Drawing and (y) the fifth anniversary of the Second Closing Date, the Policy Provider may, so long as a Policy Provider Default shall not have occurred and be continuing, elect (a "Final Policy Election"), upon at least four Business Days' prior written notice to the Trustee (with a copy to the Cash Manager), to pay on such Payment Date, an amount sufficient (after giving effect to the application of Available Collections in accordance with the applicable payment priorities set forth in Section 3.09, the application of drawings to be made pursuant to the Initial Primary Liquidity Facility (or drawings under any Replacement Primary Liquidity Facility), any withdrawals from the Initial Primary Liquidity Reserve Account, any drawings under any other applicable Eligible Credit Facility, of any LF Drawings and any withdrawals from the Cash Collateral Account, if any, in accordance with the terms hereof) to pay the then Outstanding Principal Balance of the Class G-3 Notes (*less* any Policy Drawings previously paid in respect of the principal of the Class G-3 Notes), plus accrued and unpaid interest thereon (at the Applicable Rate of Interest for the Class G-3 Notes), for the period from the immediately preceding Payment Date to the date of such payment (any such amount to be paid by such Policy Provider, the "Outstanding Balance"). Upon receipt of any such notice, the Cash Manager shall (a) calculate the then Outstanding Balance of the Class G-3 Notes and (b) prior to 12:00 p.m. (New York City time) on the third Business Day prior to such Payment Date, instruct the Trustee to request, and the Trustee shall request no later than 12:00 p.m. (New York City time) on the second Business Day prior to such Payment Date, a Policy Drawing in respect of the Class G-3 Notes in the amount of the then Outstanding Balance of the Class G-3 Notes. Upon receipt of any such request, the Policy Provider or its fiscal agent shall, no later than 12:00 p.m. (New York City time) on the later of (i) the applicable Payment Date and (ii) the second Business Day following the Business Day on which the Policy Provider receives the Trustee's request referred to above, pay under the Policy, in respect of the Class G-3 Notes, an amount equal to the Outstanding Balance for the Class G-3 Notes. Upon receipt, the Trustee shall pay the amount in the applicable Note Account to the Holders of the Class G-3 Notes in payment of the Outstanding Balance therefor.

(d) Final Policy Drawing. If the Cash Manager determines (calculated as provided in Section 3.07(h)(iii)) that on the Final Maturity Date of the Class G-3 Notes there will be insufficient funds available for the payment in full of the Outstanding Amount in respect of the Class G-3 Notes as of such date, the Cash Manager shall, prior to 12:00 p.m. (New York City time) on the third Business Day prior to such Final Maturity Date, instruct the Trustee to request, and the Trustee shall, no later than 12:00 p.m. (New York City time) on the second Business Day prior to such Final Maturity Date, request a Policy Drawing under the Policy (for payment into the

related Note Account) in an amount sufficient to pay the Outstanding Amount for the Class G-3 Notes. Upon receipt of such request for a Policy Drawing, the Policy Provider or its fiscal agent shall, no later than 12:00 p.m. (New York City time) on the later of (i) such Final Maturity Date and (ii) the second Business Day following the Business Day on which the Policy Provider receives the Trustee's request referred to above, pay under and in accordance with the

terms of the Policy, in respect of the Class G-3 Notes an amount sufficient to pay the Outstanding Amount for the Class G-3 Notes. Any request received by the Policy Provider after 12:00 p.m. (New York City time) on any Business Day shall be deemed to have been received by the Policy Provider on the next Business Day. Upon receipt, the Trustee shall direct the payment of the amount in the applicable Note Account to the Holders of the Class G-3 Notes in payment of the Outstanding Amount therefor.

(e) Avoidance Drawings. If at any time a Responsible Officer of the Trustee shall have received written notice of the issuance of any Final Order, the Trustee shall promptly give notice thereof to the Policy Provider and the Cash Manager. The Cash Manager shall thereupon determine the relevant Avoided Payments in respect of the Class G-3 Notes resulting therefrom and shall promptly: (a) send to the Holders of the Class G-3 Notes a Written Notice of such amounts and (b) prior to the expiration of the Policy, deliver to the Trustee a Written Notice instructing the Trustee to, and the Trustee shall immediately, deliver to the Policy Provider or its fiscal agent a Notice of Avoided Payment under the Policy, together with a copy of the documentation required by the Policy with respect thereto, requesting a Policy Drawing (each, an "Avoidance Drawing") thereunder (for payment to the receiver, conservator, debtor-in-possession, trustee in bankruptcy, and/or the Trustee for deposit into the related Note Account, as applicable) in an amount equal to the amount of relevant Avoided Payment. To the extent any portion of such Avoided Payment is to be paid to a receiver, conservator, debtor-in-possession or trustee in bankruptcy, the Trustee shall pay such portion to such Person. To the extent that any portion of such Avoided Payment is to be paid to the Trustee in respect of the Class G-3 Notes, such Written Notice shall also set the date for the distribution of such portion of the proceeds of such Policy Drawing which date shall constitute a Special Distribution Date and shall be the third Business Day following the date the Policy Provider has received the documentation referred to in clause (b) above. Upon receipt, the Trustee shall pay the portion of such Avoided Payment paid to the Trustee to the Holders of the Class G-3 Notes.

(f) Application of Policy Drawings. Notwithstanding anything to the contrary contained in this Indenture, all payments received by the Trustee in respect of a Policy Drawing (including, without limitation, that portion, if any, of the proceeds of a Policy Drawing for any Avoided Payment that is to be paid to the Trustee and not to any receiver, conservator, debtor-in-possession or trustee in bankruptcy as provided in the Policy) shall be promptly paid to the Holders of the Class G-3 Notes. To the extent any portion of such Avoided Payment is to be paid to a receiver, conservator, debtor-in-possession or trustee in bankruptcy, the Trustee shall pay such portion to such Person.

(g) Resubmission of a Notice of Payment. If the Policy Provider at any time informs the Trustee in accordance with a Policy that a Notice of Nonpayment or Notice of Avoided Payment submitted by the Trustee does not satisfy the requirements of the Policy, the Trustee shall, as promptly as possible after being so informed, submit to the Policy Provider an amended and revised Notice of Nonpayment or Notice of Avoided Payment, as the case may be, and shall transfer to the Note Account the amount received pursuant to such amended or revised Notice of Nonpayment or Notice of Avoided Payment, as the case may be, when received.

(h) No Discharge of the Issuer's Obligations. Except to the extent reimbursed to the Policy Provider, payments in respect of principal of or interest on the Class G-3 Notes with funds drawn under the Policy shall not reduce the Outstanding Principal Balance of, or interest due, on the Class G-3 Notes, or be deemed to discharge the Issuer's obligation to repay such funds drawn under the Policy to the Policy Provider, which obligation shall continue in full force and effect.

(i) Interest Coverage. The interest payable by the Policy Provider under the Policy shall include interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding. The interest payable by the

Policy Provider under the Policy shall not include Certain Interest on Unpaid Interest or Redemption Premium on the Class G-3 Notes.

(j) Policy Provider Consent. The Policy Provider agrees that to the extent its consent or approval is required under this Indenture or any other Related Document, such consent is not required in the event that (x) no Class G Notes are Outstanding and no Policy Provider Obligations are due and owing (and, in the case of any issuance of any Additional Notes, the Policy Non-Consent Event has occurred), or (y) in the case of any consent required under Section 5.02(t) or Section 5.03, a Policy Provider Default (as defined in clause (a) but not clause (b) of the definition thereof if either (i) a Policy Drawing has been made on or before the date such consent is required and such Policy Drawing has not been reimbursed as of the date such consent is required or (ii) the Policy is assumed or otherwise found to be enforceable against the Policy Provider in the applicable proceeding giving rise to such Policy Provider Default) has occurred and is continuing. If the consent of the Policy Provider is required pursuant to any provision of Section 5.03 of this Indenture or Section 7.04 of the Servicing Agreement, the Policy Provider shall provide the Issuer with a written response confirming its consent or rejection of any proposed action submitted to it by the Issuer or the Servicer as promptly as practicable following its receipt of a proposal from the Issuer or the Servicer and in any event within the time period indicated by the Issuer in its proposal, acting reasonably, which time period shall in any event not be less than three Business Days after receipt of such a proposal by the Policy Provider. If the Policy Provider fails to provide any party hereto with a written response within the time indicated by the Issuer or the Servicer in its proposal, the Policy Provider shall be deemed to have approved such proposal.

(k) Release of Policy Provider. Notwithstanding anything to the contrary herein, and for the avoidance of doubt, if the Policy is terminated and surrendered to the Policy Provider for cancellation, all obligations of the Policy Provider under this Indenture (including, but not limited to, all obligations set forth in this Section 3.15) shall be terminated and released.

ARTICLE IV

DEFAULT AND REMEDIES

Section 4.01 Events of Default. Each of the following events shall constitute an "Event of Default" hereunder with respect to any subclass of Notes, and each such 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) failure by the Issuer to pay when due interest on any Note of such subclass, and the continuance of such default unremedied for a period of five Business Days after the same shall have become due and payable;

(b) failure by the Issuer to pay when due principal of any Note of such subclass no later than the applicable Final Maturity Date;

(c) failure by the Issuer to pay any amount (other than interest) when due and payable in connection with any Notes of such subclass to the extent that there are, on any Payment Date, amounts available for such payment in the Collections Account or the Cash Collateral Account with respect to the Notes of such subclass, and the continuance of such default for a period of five or more Business Days after such Payment Date;

(d) failure of any of the representations or warranties of the Issuer under this Indenture to be true and correct or failure by the Issuer to comply with any of the covenants, obligations, conditions or provisions binding on it under this Indenture or any of the Notes (other than a payment default for which

provision is made in clause (a), (b) or (c) of this Section 4.01), if in any such case such failure materially adversely affects the Holders of such subclass of Notes and continues for a period of 30 days or more (or, if such failure is capable of remedy within 90 days (or in case of a breach of failure with respect to a covenant contained in Section 5.03, 180 days) of the date of the written notice referred to below and the Administrative Agent has promptly provided the Trustee with a certificate stating that the Issuer has commenced, or will promptly commence, and diligently pursue all reasonable efforts to remedy such failure, 90 days (or 180 days, as applicable) so long as the Issuer or any Issuer Subsidiary is diligently pursuing such remedy but in any event no longer than 90 days (or 180 days, as applicable)) after written notice thereof has been given to the Issuer by the Controlling Party or by the Holders of a majority of the aggregate Outstanding Principal Balance of the Notes of the Senior Class);

(e) a court having jurisdiction in the premises enters a decree or order for (i) relief in respect of the Issuer or any direct or indirect subsidiary thereof (other than a Non-Significant Subsidiary), under any Applicable Law relating to bankruptcy, insolvency, receivership, winding-up, liquidation, reorganization, examination, relief of debtors or other similar law now or hereafter in effect; (ii) appointment of a receiver, liquidator, examiner, assignee, custodian, trustee, sequestrator or similar official of the Issuer or any direct or indirect subsidiary thereof (other than a Non-Significant Subsidiary); or (iii) the winding up or liquidation of the affairs of the Issuer or any direct or indirect subsidiary thereof (other than a Non-Significant Subsidiary) and, in each case, such decree or order shall remain unstayed or such writ or other process shall not have been stayed or dismissed within 90 days from entry thereof;

(f) the Issuer or any direct or indirect subsidiary thereof (other than a Non-Significant Subsidiary) (i) commences a voluntary case under any Applicable Law relating to bankruptcy, insolvency, receivership, winding-up, liquidation, reorganization, examination, relief of debtors or other similar law now or hereafter in effect, or consents to the entry of an order for relief in any involuntary case under any such law; (ii) consents to the appointment of or taking possession by a receiver, liquidator, examiner, assignee, custodian, trustee, sequestrator or similar official of the Issuer or any direct or indirect subsidiary thereof (other than a Non-Significant Subsidiary) or for all or substantially all of the property and assets of the Issuer or any direct or indirect subsidiary thereof (other than a Non-Significant Subsidiary); or (iii) effects any general assignment for the benefit of creditors;

(g) one or more judgments or orders for the payment of money that are in the aggregate in excess of 5% of the Adjusted Portfolio Value shall be rendered against the Issuer or any Issuer Subsidiary or any other Issuer Group Member and either (i) enforcement proceedings shall have been commenced by any creditor upon such judgment or order or (ii) there shall be any period of 10 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect; *provided*, *however*, that any such judgment or order shall not be an Event of Default under this Section 4.01(g) if and for so long as (i) the amount of such judgment or order is covered by a valid and binding policy of insurance between the defendant and the insurer covering payment thereof and (ii) such insurer, which shall be rated at least "A" by A.M. Best Company or any similar successor entity, has been notified of, and has not disputed the claim made for payment of, the amount of such judgment or order; or

(h) the constitutional documents creating the Issuer cease to be in full force and effect without replacement documents having the same terms being in full force and effect.

For the avoidance of doubt, any payment under an Eligible Credit Facility (or a drawing of funds from a Cash Collateral Account) shall constitute a payment by the Issuer for purposes of clauses (a), (b) and (c) above.

Section 4.02 Acceleration, Rescission and Annulment. (a) If an Event of Default with respect to the Senior Class (other than an Event of Default under clause (e) or (f) of Section 4.01) occurs and is continuing, the Controlling Party may, and (if the Controlling Party is solely the Senior Trustee) upon the written direction of Holders of a majority of the aggregate Outstanding Principal Balance of the Senior Class, shall, give a Default Notice to the Issuer, the Cash Manager, the Administrative Agent, the Security Trustee and the Trustee declaring the Outstanding Principal Balance of the Notes and all accrued and unpaid interest thereon to be due and payable. Upon delivery of a Default Notice, such Outstanding Principal Balance and all accrued and unpaid interest thereon shall be due and payable. At any time after the Controlling Party has declared the Outstanding Principal Balance of the Notes to be due and payable and prior to the exercise of any other remedies pursuant to this Article IV, the Controlling Party may (and if the Controlling Party is the Senior Trustee, upon the written direction of Holders of a majority of the aggregate Outstanding Principal Balance of the Senior Class, shall) by Written Notice to the Issuer, the Senior Trustee (if not the Controlling Party), the Cash Manager, the Administrative Agent, the Security Trustee and the Trustee, subject to Section 4.05(a), rescind and annul such declaration and thereby annul its consequences if: (i) there has been paid to or deposited with the Senior Trustee an amount sufficient to pay all overdue installments of interest on the Notes, and the principal or Redemption Price of the Notes that would have become due otherwise than by such declaration of acceleration, (ii) the rescission would not conflict with any judgment or decree and (iii) all other Defaults and Events of Default, other than nonpayment of interest and principal on the Notes that have become due solely because of such acceleration, have been cured or waived. If the Controlling Party is the Policy Provider or the Initial Primary Liquidity Facility Provider, only it may give a notice of annulment. If an Event of Default under clause (e) or (f) of Section 4.01 occurs, the Outstanding Principal Balance of the Notes and all accrued and unpaid interest thereon shall automatically become due and payable without any further action by any party.

(b) No Person other than the Controlling Party may give or direct the giving of a Default Notice or exercise or direct the exercise of any remedy in respect of any Event of Default.

(c) The Trustee shall provide each Rating Agency with a copy of any Default Notice it receives pursuant to this Indenture.

Section 4.03 Other Remedies. If an Event of Default occurs and is continuing, the Senior Trustee (at the direction of the Controlling Party if the Senior Trustee is not the Controlling Party and at the written direction of Holders of a majority of the aggregate Outstanding Principal Balance of the Senior Class if the Controlling Party is the Senior Trustee) may pursue any available remedy by proceeding at law or in equity to collect the payment of principal or Redemption Price of, or interest, on the Notes or to enforce the performance of any provision of the Notes or this Indenture.

The Senior Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding.

Section 4.04 Limitation on Suits. Without limiting the provisions of Section 4.09 and the final sentence of Section 12.04(a), no Holder shall have any right to institute any proceeding, judicial or otherwise, with respect to this Indenture, the Security Trust Agreement or the Notes, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless:

(a) the Senior Trustee is the sole Controlling Party;

(b) such Holder holds Notes of the Senior Class and has previously given written notice to the Senior Trustee of a continuing Event of Default;

(c) the Holders of a majority of the aggregate Outstanding Principal Balance of the Senior Class make a written request to the Senior Trustee to pursue a remedy hereunder;

(d) such Holder or Holders offer to the Senior Trustee an indemnity reasonably satisfactory to the Senior Trustee against any costs, expenses and liabilities to be Incurred in complying with such request;

(e) the Senior Trustee does not comply with such request within 60 days after receipt of the request and the offer of indemnity; and

(f) during such 60-day period, Holders of a majority of the Outstanding Principal Balance of the Senior Class do not give the Senior Trustee a revocation or direction inconsistent with such request.

No one or more Holders may use this Indenture to affect, disturb or prejudice the rights of another Holder or to obtain or seek to obtain any preference or priority not otherwise created by this Indenture and the terms of the Notes over any other Holder or to enforce any right under this Indenture, except in the manner herein provided.

Section 4.05 Waiver of Existing Defaults. (a) The Controlling Party or (if the Controlling Party is the Senior Trustee) the Holders of a majority of the Outstanding Principal Balance of the Senior Class by notice to the Senior Trustee and the Issuer may waive any existing Default hereunder and its consequences, except no waiver may be given with respect to a Default: (i) in the deposit or distribution of any payment required to be made on any Notes, (ii) in the payment of the interest on, principal of or premium, if any, with respect to any Note or (iii) in respect of a covenant or provision hereof which under Article IX cannot be modified or amended without the consent of the Holder of each Note affected thereby. Upon any such waiver, such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured for every purpose of this Indenture, but no such waiver shall extend to any

subsequent or other Default or impair any right consequent thereon. Each such notice of waiver shall also be given to each Rating Agency.

(b) Any written waiver of a Default or an Event of Default given by the Controlling Party or the Holders to the Senior Trustee and the Issuer in accordance with the terms of this Indenture shall be binding upon the Trustee and the other parties hereto. Unless such writing expressly provides to the contrary, any waiver so granted shall extend only to the specific event or occurrence which gave rise to the Default or Event of Default so waived and not to any other similar event or occurrence which occurs subsequent to the date of such waiver.

Section 4.06 Restoration of Rights and Remedies. If the Trustee or any Holder of Notes of the Senior Class has instituted any proceeding to enforce any right or remedy under this Indenture, and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or such Holder, then in every such case the Issuer, the Trustee and the Holders shall, subject to any determination in such proceeding, be restored severally and respectively to their former positions hereunder, and thereafter all rights and remedies of the Trustee and the Holders shall continue as though no such proceeding has been instituted.

Section 4.07 Remedies Cumulative. Each and every right, power and remedy herein given to the Trustee (or the Controlling Party) specifically or otherwise in this Indenture 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 or by statute, 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 the Trustee (or the Controlling Party), 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 the Trustee (or the Controlling Party) in the exercise of any right, remedy or power or in the pursuance of any remedy shall impair any such right, power or remedy or be construed to be a waiver of any Default on the part of the Issuer or to be an acquiescence therein.

Section 4.08 Authority of Courts Not Required. The parties hereto agree that, to the greatest extent permitted by law, the Trustee shall not be obliged or required to seek or obtain the authority of, or any judgment or order of, the courts of any jurisdiction in order to exercise any of its rights, powers and remedies under this Indenture, and the parties hereby waive any such requirement to the greatest extent permitted by law.

Section 4.09 Rights of Holders to Receive Payment. Notwithstanding any other provision of this Indenture, the right of any Holder to receive payment of principal of, or interest, on its Note on or after the respective due dates therefor expressed in such Note, or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder.

Section 4.10 Trustee May File Proofs of Claim. The Trustee may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee and of any Holder allowed in any judicial proceedings relating to any obligor on the Notes, its creditors or its property.

Section 4.11 Undertaking for Costs. All parties to this Indenture agree, and each Holder by its acceptance thereof shall be deemed to have agreed, that in any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as Trustee, a court in its discretion may require the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defense made by the party litigant. This Section 4.11 does not apply to a suit instituted by the Trustee, a suit instituted by any Holder for the enforcement of the payment of principal or Redemption Price of, or interest, on its Note on or after the respective due dates expressed in such Note, or a suit by a Holder or Holders of more than 10% of the Outstanding Principal Balance of any class or subclass of the Notes.

Section 4.12 Remedies; Rights of Controlling Party. Subject always to the provisions of this Article IV, the Controlling Party shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee; *provided* that (a) such direction shall not be in conflict with any rule of law or other applicable provisions of this Indenture and other Related Documents and would not involve the Trustee in personal liability or expense; and (b) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction.

Section 4.13 Purchase Rights of Holders. Each Holder of a Class E Note shall have the right on any Payment Date occurring on or after the date of the occurrence and continuance of an Event of Default with respect to any subclass of the Class G Notes, upon at least twenty Business Days' written notice to the Trustee (with a copy to the Cash Manager), to purchase all, but not less than all, of the Class G Notes, for a purchase price equal to the then Outstanding Principal Balance of each subclass of Class G Notes, plus accrued and unpaid interest (at the Applicable Rate of Interest for the related subclass of Class G Notes) on such Outstanding Principal Balance (any such principal and interest in respect of any such subclass of Class G Notes, the "Outstanding Priority Balance"). Upon receipt of any such notice, the Cash Manager shall calculate the then Outstanding Priority Balance.

ARTICLE V

REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 5.01 Representations and Warranties. The Issuer represents and warrants to the parties hereto on each Closing Date as follows:

(a) Due Organization. The Issuer is a limited liability public company duly incorporated under the laws of Jersey, Channel Islands, and each Issuer Subsidiary is a corporation duly incorporated in its respective jurisdiction of incorporation, in each case with full power and authority to conduct its business; and none of the Issuer or any Issuer Subsidiary is in liquidation, bankruptcy or suspension of payments.

(b) Special Purpose Status. The Issuer has not engaged in any activities since its incorporation (other than those related to the issuance of the Initial Notes, the transactions contemplated by the Original Indenture and those incidental to its incorporation and other appropriate corporate steps including the issue of shares and arrangements for the payment of fees to, and director's and officer's insurance for, the members of its Board, the authorization and the issuance of the Second Issuance Notes, the execution of the Related Documents and the activities referred to in or contemplated by such agreements), and the Issuer has not paid any dividends or other distributions since its incorporation.

(c) Non-Contravention. The acquisition of the New Aircraft and interests in the New Leases through the purchase of the Companies pursuant to the Second Share Purchase Agreement, the creation of the Second Issuance Notes, the issuance, execution and delivery by the Issuer of, and the compliance by the Issuer with the terms of the Second Issuance Notes, and the execution and delivery by each Issuer Group Member of, and compliance by it with the terms of each of the Related Documents to which it is a party:

(i) do not and will not at the Second Closing Date or any Payment Date conflict with, or result in a breach of any of the terms or provisions of, or constitute a default under, the Memorandum and Articles of Association of the Issuer or the constituent documents of any Issuer Subsidiary or with any existing law, rule or regulation applying to or affecting the Issuer or any Issuer Subsidiary or any judgment, order or decree of any government, governmental body or court having jurisdiction over the Issuer or any Issuer Subsidiary; and

(ii) do not and will not at the Second Closing Date or any Payment Date constitute a default under, any deed, indenture, agreement or other instrument or obligation to which the Issuer or any Issuer Subsidiary is a party or by which any of them or any part of their undertaking, assets, property or revenues are bound.

(d) Due Authorization. The acquisition of the New Aircraft and interests in the New Leases through the purchase of the Companies pursuant to the Second Share Purchase Agreement, the creation, execution and issuance of the Second Issuance Notes, the execution and issue or delivery by the Issuer and each Issuer Subsidiary of the Related Documents executed by it and the performance by each of them of their obligations hereunder and thereunder and the arrangements contemplated hereby and thereby to be performed by each of them have been duly authorized by each of them.

(e) Validity and Enforceability. This Indenture constitutes, and the Related Documents, when executed and delivered and, in the case of the Second Issuance Notes, when issued and authenticated, will constitute valid, legally binding and (subject to general equitable principles, insolvency, liquidation, reorganization and other laws of general application relating to creditors' rights or

claims or the concepts of materiality, reasonableness, good faith and fair dealing) enforceable obligations of the Issuer and each Issuer Subsidiary executing the same.

(f) No Defaults. There exists no Default, Event of Default nor any event which, had the Second Issuance Notes already been issued, would constitute a Default or an Event of Default.

(g) No Encumbrances. Subject to the Security Interests created in favor of the Security Trustee and except for Permitted Encumbrances, there exists no Encumbrance over the assets or undertaking of (i) the Issuer which ranks prior to or *pari passu* with the obligation to make payments on the Second Issuance Notes and the Class E-1 Notes or (ii) any Issuer Subsidiary.

(h) No Consents. All consents, approvals, authorizations or other orders of all regulatory authorities required (excluding any required by the other parties to the Related Documents) for or in connection with the execution and performance of the Related Documents by the Issuer and each Issuer Subsidiary and the issue and performance of the Second Issuance Notes and the offering of the Second Issuance Notes by the Issuer have been obtained and are in full force and effect and not contingent upon fulfillment of any condition.

(i) No Litigation. There is no action, suit, investigation or proceeding pending against, or to the knowledge of the Issuer, threatened against or affecting, the Issuer or any Issuer Subsidiary before any court or arbitrator or any governmental body, agency or official which in any manner challenges or seeks to prevent, enjoin, alter or materially delay the transactions contemplated by this Indenture (including the Exhibits and Schedules attached hereto) and the Related Documents or which could reasonably be expected to have a material adverse effect on the ability of the Issuer or any Issuer Subsidiary to perform its obligations under the Related Documents.

(j) Employees, Subsidiaries. The Issuer and each Issuer Subsidiary have no employees. Set forth in Schedule 2 is a true and complete list, as of the date hereof, of all Issuer Subsidiaries existing on the Second Closing Date, together with their jurisdictions of incorporation.

(k) Ownership. The Issuer or an Issuer Subsidiary is the beneficial owner of the Pledged Shares, the Pledged Debt, the Pledged Beneficial Interest, the Pledged Membership Interest, the Agreement Collateral, the Non-Trustee Accounts and other Collateral, free from all Encumbrances and claims whatsoever other than Permitted Encumbrances.

(l) No Filings. Under the laws of Jersey, the State of New York, the Federal laws of the United States of America or the laws of the jurisdiction of organization of any Issuer Subsidiary, it is not necessary or desirable that this Indenture or any Related Document to which the Issuer or an Issuer Subsidiary is a party (other than evidences of the Security Interests) be filed, recorded or enrolled (other than the filing of the Memorandum and Articles of Association of the Issuer in Jersey which filing has been made and this Indenture in Jersey which filing will have been made within five Business Days after the Second Closing Date) with any court or other authority in any such jurisdictions or that any stamp, registration or similar tax be paid on or in relation to this Indenture or any of the other Related Documents.

(m) Aircraft Assets. Schedule 1 contains a true and complete list of all Aircraft constituting Current Aircraft as of the Second Closing Date and each Person within the Issuer Group that (i) owns each Initial Aircraft as of the Second Closing Date and (ii) will own each New Aircraft as of the applicable Delivery Date. Except as otherwise set forth therein, once each New Aircraft listed in Schedule 1 is a Delivered Aircraft, each Person within the Issuer Group listed as an owner of an Aircraft

on such Schedule will have such title to such Aircraft as was conveyed to such Person, free and clear of all Liens created by or through such Person.

(n) Aircraft Assets Related Documents. Each Aircraft Assets Related Document is a legal, valid and binding agreement of the Person within the Issuer Group that is a party thereto (including by way of assignment or novation) and is enforceable against such Person within the Issuer Group that is a party thereto in accordance with its terms except where enforceability may be limited by general equitable principles, insolvency, liquidation, reorganization and other laws of general application relating to creditors' rights or claims or the concepts of materiality, reasonableness, good faith and fair dealing. No Person within the Issuer Group has modified, amended or waived any provision of or terminated any Aircraft Assets Related Document referred to in Schedule 4.02 to the Servicing Agreement except as disclosed therein.

(o) Other Representations. The representations and warranties made by the Issuer and each Issuer Subsidiary in any of the other Related Documents are true and accurate.

(p) Insurance. Each Lessee under a Current Lease carries War Risk Coverage in an amount at least equal to the Current War Risk Coverage Amount set forth in Schedule 7 hereto with respect to such Lessee.

Section 5.02 General Covenants. The Issuer hereby covenants as follows:

(a) No Release of Obligations. The Issuer shall not take, or knowingly permit any Issuer Subsidiary to take, any action which would amend, terminate (other than any termination in connection with the replacement of such agreement with an agreement on terms substantially no less favorable to the Issuer Group than the agreement being terminated) or discharge or prejudice the validity or effectiveness of this Indenture (other than as permitted herein), the Security Trust Agreement, any Acquisition Agreement, any organizational document of any Issuer Subsidiary, the Loan, Expenses Apportionment and Guarantee Agreement, the Administrative Agency Agreement, the Policy (other than as expressly provided hereunder), the Cash Management Agreement, the Reference Agency Agreement, the Servicing Agreement or any other Related Document to which the Issuer or any Issuer Subsidiary is a party or permit any party to any such document to be released from such obligations, except, in each case, as permitted or contemplated by the terms of such document and except that in no event shall the Policy be so terminated (other than as expressly provided hereunder), and *provided* that such actions may be taken or permitted, and such releases may be permitted (other than with respect to the termination of the Policy), if the Issuer shall have first obtained a Board Resolution determining that such action, permitted action or release does not materially adversely affect the interests of the Holders or the Policy Provider and having given prior notice thereof to the Rating Agencies and the prior written consent of the Policy Provider has been obtained; and *provided further* that, in any case (i) the Issuer shall not take any action which would result in any amendment or modification to the conflicts standard or duty of care in such agreements, (ii) except in the circumstances expressly contemplated in this Indenture, the Issuer may not amend the Policy without the unanimous consent of the Holders of Class G Notes and without obtaining a Rating Agency Confirmation and (iii) there must be at all times an administrative agent with respect to the Issuer Group Services (as defined in the Administrative Agency Agreement) and a servicer with respect to all Aircraft in the Portfolio.

(b) Limitation on Encumbrances. The Issuer shall not, and shall not permit any Issuer Subsidiary to, create, Incur, assume or suffer to exist any mortgage, pledge, lien, encumbrance, charge or security interest (in each case, an "Encumbrance"), including, without limitation, any conditional sale, any sale with recourse against, the Issuer, any Issuer Subsidiary or any Affiliate of any Issuer Subsidiary, or any agreement to give any security interest over or with respect to, any of the Issuer's or any Issuer

Subsidiary's assets (other than the segregation of the Segregated Funds) including, without limitation, all shares of capital stock, all beneficial interests in trusts, all ordinary shares and preferred shares and any options, warrants and other rights to acquire such shares or interests ("Ownership Interest") and any Indebtedness of any Issuer Subsidiary held by the Issuer or any Issuer Subsidiary.

Notwithstanding the foregoing, the Issuer may create, Incur, assume or suffer to exist (i) any Permitted Encumbrance, (ii) any security interest created or required to be created under the Security Documents, (iii) Encumbrances over rights in or derived from Leases, upon prior written consent of the Policy Provider and receipt of a Rating Agency Confirmation (*provided* that any transaction or series of transactions resulting in such Encumbrance, taken as a whole, does not materially adversely affect the amount of Collections that would have been received by the Issuer and any other Issuer Group Member from such Lease had such Encumbrance not been created), or (iv) any other Encumbrance the validity or applicability of which is being contested in good faith in appropriate proceedings by the Issuer or any Issuer Subsidiary.

For the purposes of this Indenture, "Affiliate" means, with respect to any Person, any other Person that, directly or indirectly, Controls, is Controlled by or is under common Control with, such Person or is a director or officer of such Person; "Control" of a Person means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting Ownership Interest, by contract or otherwise. For the purposes of this Indenture, "Permitted Encumbrance" means (i) any lien for taxes, assessments and governmental charges or levies not yet due and payable or which are being contested in good faith by appropriate proceedings; (ii) in respect of any Aircraft, any lien of a repairer, carrier or hangar keeper arising in the ordinary course of business by operation of law or any engine or parts-pooling arrangements or other similar lien; (iii) any permitted lien or encumbrances on any Aircraft, Engines or Parts as defined under any Lease thereof (other than liens or encumbrances created by the relevant lessor); (iv) any lien created by or through or arising from debt or liabilities or any act or omission of any Lessee in each case either in contravention of the relevant Lease (whether or not such Lease has been terminated) or without the consent of the relevant lessor (*provided* that if such lessor becomes aware of any such lien, it shall use commercially reasonable efforts to have any such lien lifted); (v) any head lease, lease, conditional sale agreement or Purchase Option under the Current Lease of any Current Aircraft existing (x) in the case of the Initial Aircraft on the Second Closing Date and (y) in the case of the New Aircraft on the Acquisition Date of such Aircraft or otherwise existing on the relevant Closing Date or any other Aircraft Agreement meeting the requirements of clause (c)(iii) or (c)(v) of the second paragraph of Section 5.02(g); (vi) any lien for air navigation authority, airport tending, gate or handling (or similar) charges or levies; (vii) any lien created in favor of the Issuer, the Issuer Group or the Security Trustee securing the Secured Obligations; and (viii) any Encumbrance arising under an Eligible Credit Facility.

(c) Limitation on Restricted Payments. The Issuer shall not, and shall not permit any Issuer Subsidiary to:

(i) declare or pay any dividend or make any distribution on its Ownership Interest held by persons other than the Issuer or any Issuer Subsidiary;

(ii) purchase, redeem, retire or otherwise acquire for value any shares of Ownership Interest of the Issuer or any Issuer Subsidiary held by or on behalf of Persons other than the Issuer or any Issuer Subsidiary and other Persons permitted under Section 5.02(l)(ii)(C);

(iii) make any payment of principal, interest or premium, if any, on the Notes or make any voluntary or optional repurchase, defeasance or other acquisition or retirement for value of Indebtedness of the Issuer or such Issuer Subsidiary that is not owed to the Issuer or such Issuer

Subsidiary other than in accordance with Articles II, III and XI, the Policy Provider Documents and otherwise provided for in the Related Documents; *provided* that the Issuer or any of its Affiliates may repurchase, defease or otherwise acquire or retire any of the Notes other than from the Available Collections so long as any new notes of the Issuer issued in connection with such transaction rank *pari passu* with the Notes being repurchased, defeased, acquired or retired and the Directors shall determine that such action does not materially adversely affect the Holders and shall have obtained prior written consent of the Policy Provider and a Rating Agency Confirmation; or

(iv) make any Investments (other than Permitted Account Investments, Allowed Restructurings, Investments permitted under Section 5.02(e) and Investments in any Issuer Group Member pursuant to any Acquisition Agreement or a Permitted Additional Aircraft Acquisition; *provided* that written notification of the organization or acquisition of each such Issuer Group Member shall have been given to each Rating Agency, the Initial Primary Liquidity Facility Provider and the Policy Provider).

The term "Investment" for purposes of the above restriction means any loan or advance to a Person, any purchase or other acquisition of any beneficial interest, capital stock, warrants, rights, options, obligations or other securities of such Person, any capital contribution to such Person or any other Investment in such Person. For the avoidance of doubt, "Investment" shall not include any obligation of a purchaser of an Aircraft to make deferred or installment payments pursuant to any Aircraft Agreement specified in (c)(iii) or (c)(v) of the second paragraph of Section 5.02(g) so long as the Issuer Group retains a security interest in the relevant Aircraft until all such obligations are discharged.

(d) Limitation on Dividends and Other Payment Restrictions. The Issuer shall not, and shall not permit any Issuer Subsidiary to, create or otherwise suffer to exist any consensual encumbrance or restriction of any kind on the ability of any Issuer Subsidiary to (i) declare or pay dividends or make any other distributions permitted by Applicable Law, or purchase, redeem or otherwise acquire for value, the Ownership Interest of the Issuer or such Issuer Subsidiary, as the case may be; (ii) pay any Indebtedness owed to the Issuer or such Issuer Subsidiary; (iii) make loans or advances to the Issuer or such Issuer Subsidiary; or (iv) transfer any of its property or assets to the Issuer or any other Issuer Subsidiary.

The foregoing provisions shall not restrict any consensual encumbrances or other restrictions: (i) which are Permitted Encumbrances, (ii) existing on the Initial Closing Date, the Second Closing Date or, in the case of any Aircraft, the Acquisition Date of

such Aircraft, under any Related Document, and any amendments, extensions, refinancings, renewals or replacements of such documents; *provided* that such consensual encumbrances and restrictions in any such amendments, extensions, refinancings, renewals or replacements are no less favorable in any material respect to the Holders than those previously in effect and being amended, extended, refinanced, renewed or replaced; or (iii) in the case of clause (iv) of the preceding paragraph, that restrict in a customary manner the subletting, assignment or transfer of any property or asset that is a lease, license, conveyance or contract or similar property or asset.

(e) Limitation on Engaging in Business Activities. The Issuer shall not, and shall not permit any Issuer Subsidiary to, engage in any business or activity other than:

(i) purchasing or otherwise acquiring (subject to Section 5.02(h)), owning, holding, converting, maintaining, modifying, managing, operating, leasing, re-leasing and, subject to the limitations set forth in Section 5.02(g), selling or otherwise disposing of the Aircraft (including Permitted Tax-Related Dispositions) and entering into all contracts and engaging in all related activities incidental thereto, including from time to time accepting, exchanging, holding or permitting any Issuer Subsidiary to accept, exchange or hold promissory notes, contingent

payment obligations or equity interests, of Lessees or their Affiliates issued in connection with the bankruptcy, reorganization or other similar process, or in settlement of delinquent obligations or obligations anticipated to be delinquent, of such Lessees or their respective Affiliates in the ordinary course of business (an "Allowed Restructuring");

(ii) providing loans to, guaranteeing or otherwise supporting the obligations and liabilities of any Issuer Group Member, in each case on such terms and in such manner as the Board sees fit and (whether or not the Issuer or any Issuer Subsidiary derives a benefit therefrom) so long as such loans, guarantees or other supports are provided in connection with the purposes set forth in clause (i) of this Section 5.02(e); *provided* that written notification shall have been given to each Rating Agency, the Policy Provider and the Initial Primary Liquidity Facility Provider of such loan, guarantee or other support, provided that, no such notice shall be required for any guarantee provided by an Issuer Group Member with respect to any obligations of another Issuer Group Member in respect of the lease, purchase, maintenance, modification, refurbishment, repair or sale of any Aircraft or otherwise in the ordinary course of the aircraft operating lease business;

(iii) subject to Section 5.02(f), financing or refinancing the business activities described in clause (i) of this Section 5.02(e) through the offer, sale and issuance of any securities of the Issuer upon such terms and conditions as the Board sees fit, for cash or in payment or in partial payment for any property purchased or otherwise acquired by any Issuer Group Member;

(iv) engaging in currency and interest rate exchange transactions for the purposes of avoiding, reducing, minimizing, hedging against or otherwise managing the risk of any loss, cost, expense or liability arising, or which may arise, directly or indirectly, from any change or changes in any interest rate or currency exchange rate or in the price or value of any of the Issuer's or any Issuer Subsidiary's property or assets, within limits and with providers specified by a Board Resolution providing therefor from time to time and submitted to the Rating Agencies, the Policy Provider and the Initial Primary Liquidity Facility Provider, including, but not limited to, dealings, whether involving purchases, sales or otherwise, in foreign currency, spot and forward interest rate exchange contracts, forward interest rate agreements, caps, floors and collars, futures, options, swaps and any other currency, interest rate and other similar hedging arrangements and such other instruments as are similar to, or derivatives of, any of the foregoing; *provided*, *however*, that the Issuer shall not, and shall not permit any Issuer Subsidiary to, enter into any such hedging arrangements or other instruments that (x) are not entered into solely for hedging interest rate or currency risks associated with the Notes and/or the Leases or (y) are not U.S. dollar-denominated interest rate hedges, currency hedges, Swaptions, caps or floors (except in instances where the hedging instrument is entered into substantially to hedge risks associated with non-U.S. dollar-denominated Leases) without the receipt of a Rating Agency Confirmation and the prior written consent of the Policy Provider; *provided* further that the Issuer shall not, and shall not permit any Issuer Subsidiary to (unless with respect to any action permitted under Section 5.02(g) and Section 5.02(j) with respect to disposition or transfer to another Issuer Group Member), (A) terminate or transfer such hedging arrangements without the prior written consent of the Policy Provider and (B) enter into any Hedge Agreement after the Second Closing Date without the prior written consent of the Policy Provider unless such Hedge Agreement contains the Material Hedge Agreement Terms that are no less favorable to the Issuer, any applicable Issuer Subsidiary and the Policy Provider than those contained in the Hedge Agreements existing on the Second Closing Date (including the New Hedge Agreements);

(v) (A) establishing, promoting and aiding in promoting, constituting, forming or organizing companies, trusts, syndicates, partnerships or other entities of all kinds in any part of

the world for the purposes set forth in clause (i) above; *provided* that written notification shall have been given to each Rating Agency, the Policy Provider and the Initial Primary Liquidity Facility Provider that such company, trust, syndicate, partnership or other entity is set up in compliance with this Indenture, (B) acquiring, holding and disposing of shares, securities and other interests in any such company, trust syndicate, partnership or other entity and (C) disposing of shares, securities and other interests in, or causing the dissolution of, any existing subsidiary; *provided* that any such disposition which results in the disposition of an Aircraft meets the requirements set forth in Section 5.02(g);

(vi) taking out, acquiring, surrendering and assigning policies of insurance and assurances with any insurance company or companies which the Issuer or any Issuer Subsidiary may think fit and to pay the premiums thereon; and

(vii) engaging in the transactions contemplated by the Policy Provider Documents and the Initial Primary Liquidity Facility.

(f) Limitation on Indebtedness. The Issuer shall not, and shall not permit any Issuer Subsidiary to, incur, create, issue, assume, guarantee or otherwise become liable for or with respect to, or become responsible for, the payment of, contingently or otherwise, whether present or future (in any such case, to "Incur"), Indebtedness.

Notwithstanding the foregoing, but subject to the last sentence of this Section 5.02(f), the Issuer and any Issuer Subsidiary may Incur each and all of the following:

(i) Indebtedness in respect of any Notes issued on or prior to the Second Closing Date;

(ii) Indebtedness in respect of any Refinancing Notes; *provided* that (A) the prior written consent of each of the Policy Provider (unless the Policy Non-Consent Event has occurred) and the Initial Primary Liquidity Facility Provider (unless the Liquidity Facility Non-Consent Event has occurred) has been obtained with respect to such Refinancing and (B) the net proceeds of any such Refinancing shall be applied only (x) to repay the Redemption Price plus the Refinancing Expenses of the subclass of Notes being so refinanced and pay any Policy Premium and/or Policy Redemption Premium due and unpaid to the Policy Provider and (y) to fund any Cash Collateral Account established for the related Refinancing Notes (up to the Required Amount therefor);

(iii) Indebtedness in respect of guarantees by any Issuer Group Member in favor of Lessees, or otherwise related to the Aircraft that are in the ordinary course of business and that are in respect of the obligations of other Issuer Group Members;

(iv) Indebtedness in respect of any Additional Notes (including Class E Notes) the net proceeds of which are applied (A) to finance a Permitted Additional Aircraft Acquisition or to make Conversion Payments, (B) to fund any Cash Collateral Account established for such Additional Notes (up to the Required Amount therefor) and (C) to fund expenses related thereto; *provided* that (x) the prior written consent of each of the Policy Provider (unless the Policy Non-Consent Event has occurred) and the Initial Primary Liquidity Facility Provider (unless the Liquidity Facility Non-Consent Event has occurred) is obtained prior to the Incurrence of such Indebtedness and (y) such Additional Notes will be cross-collateralized with all Secured Obligations by the Collateral under the Security Trust Agreement;

(v) obligations to each Seller under each Acquisition Agreement and any related lease assignment and assumption agreements and the documents related thereto, including any Indebtedness owed to any Lessee under any such agreement or the Lease with respect to maintenance contributions;

(vi) Indebtedness under the Loan, Expenses Apportionment and Guarantee Agreement and any other Indebtedness under any agreements between the Issuer or any Issuer Subsidiary and any other Issuer Group Members (each, an "Intercompany Loan"); *provided* that the agreements or promissory notes evidencing such Indebtedness shall be pledged to the Security Trustee and written notification shall have been given to each Rating Agency, the Policy Provider and the Initial Primary Liquidity Facility Provider of the Incurrence of such Indebtedness;

(vii) Indebtedness of the Issuer under any Eligible Credit Facility, *provided* that a Rating Agency Confirmation and the prior written consent of each of the Policy Provider and the Initial Primary Liquidity Facility Provider is obtained prior to entering into such new Eligible Credit Facility;

(viii) Indebtedness of the Issuer in respect of any Additional Class E Note, *provided* that (A) a Rating Agency Confirmation and the prior written consent of each of the Policy Provider and the Initial Primary Liquidity Facility Provider is obtained prior to the issuance of any such Additional Class E Note, (B) each Additional Class E Note shall be unsecured and neither any such Additional Class E Note or the holders thereof shall be given or deemed to have any Encumbrance on any asset of any Issuer Group Member, whether through the Security Trust Agreement or otherwise, and (C) the terms of any such Additional Class E Note shall contain no provision inconsistent with the terms of this Indenture; and

(ix) Indebtedness of the Issuer under the Policy Provider Documents.

(g) Limitation on Aircraft Dispositions. The Issuer shall not, and shall not permit any Issuer Subsidiary to, sell, transfer or otherwise dispose of any Aircraft or any interest therein other than as provided in the Servicing Agreement.

In addition and notwithstanding any provision of the Servicing Agreement, the Issuer and any Issuer Subsidiary shall only be permitted to sell, transfer or otherwise dispose of, directly or indirectly:

(i) any Engine or Part purchased on the date such Aircraft is acquired,

(ii) any Engine or Part in connection with the replacement or exchange of such Engine or Part in accordance with a Lease, or

(iii) one or more Aircraft:

(A) pursuant to a Purchase Option or other agreement of a similar character existing with respect to a Current Aircraft on or prior to the Second Closing Date, or, with respect to any Substitute Aircraft or Additional Aircraft, on the Closing Date therefor,

(B) within or among the Issuer and the Issuer Subsidiaries without limitation; *provided* that no such sale, transfer or disposition shall be made if such sale, transfer or disposition would materially adversely affect the Holders or the Policy Provider;

provided, *further*, that written notification shall have been given to the Policy Provider of such sale, transfer or disposition,

(C) pursuant to any Aircraft Agreement; *provided* that such sale does not result in a Concentration Default and the net present value of the cash Net Sale Proceeds thereof is not less than the Note Target Price with respect to such Aircraft,

(D) pursuant to receipt of insurance proceeds in connection with a Casualty Occurrence or Total Loss or Event of Loss (each as defined in the relevant Lease),

(E) pursuant to an Aircraft Agreement (including pursuant to a Purchase Option) the net present value of the cash Net Sale Proceeds of which is less than the Note Target Price, *provided* that, (x) in any one calendar year such sales do not exceed 10% of the Adjusted Portfolio Value as determined by the most recent Appraisal obtained for such calendar year, (y) each such sale does not result in a Concentration Default, and (z) a Board Resolution delivered to the Trustee confirms that each such sale would not materially adversely affect the Holders, or

(F) pursuant to an Aircraft Agreement that is designed to allow a Person that is unrelated to the Issuer or any Issuer Subsidiary to realize tax benefits associated with the Aircraft or other assets being sold (any such sale, transfer or other disposition, a "Permitted Tax-Related Disposition"), *provided* that the Issuer receives Rating Agency Confirmation in respect thereof;

provided, *however*, that in the case of clauses (C), (E) and (F) above the prior written consent of the Policy Provider shall have been obtained prior to any such sale, transfer or other disposition.

For the purpose of this Section 5.02(g), the net present value of the cash Net Sale Proceeds of any sale, transfer or other disposition of any Aircraft shall mean the present value of all payments received or to be received by the Issuer or any Issuer Subsidiary in respect of such Aircraft from the date of execution or option granting date, as the case may be, of the relevant Aircraft Agreement through and including the date of transfer of title to such Aircraft, discounted back to the date of execution or option granting date, as the case may be, of such Aircraft Agreement at the weighted average cost of funds of the Issuer Group (based on the cost of funds on the Payment Date immediately preceding such date (excluding for such purpose any interest accrued on the Class E Notes but taking into account any Hedge Agreements)).

(h) Limitation on Aircraft Acquisitions. The Issuer shall not, and shall not permit any Issuer Subsidiary to, purchase or otherwise acquire any Aircraft other than the Current Aircraft or any interest therein.

Notwithstanding the foregoing, the Issuer may, and may permit any Issuer Subsidiary to, (A) purchase or otherwise acquire, directly or indirectly, any Aircraft owned by another Issuer Group Member and (B) purchase or acquire, directly or indirectly, Additional Aircraft from time to time (a "Permitted Additional Aircraft Acquisition"); *provided* that, in the case of Clause (B), (i) no Event of Default shall have occurred and be continuing, (ii) the acquisition does not result in a Concentration Default (unless a Rating Agency Confirmation from Moody's has been received), (iii) the prior written consent of each of the Policy Provider and the Initial Primary Liquidity Facility Provider has been obtained and a Rating Agency Confirmation has been received, and (iv) all Additional Aircraft hold or are capable of holding a noise reduction certificate issued under Chapter 3 of Volume I, Part II of annex 16 of the Chicago Convention or comply with the Stage 3 noise levels set out in Section 36.3 of Appendix C of Part 36 of the United States Federal Aviation Regulations (in each case without the use of noise reduction kits).

(i) Limitation on Modification Payments and Capital Expenditures. The Issuer shall not, and shall not permit any Issuer Subsidiary to, make any capital expenditures for the purpose of effecting any optional improvement or modification of any Aircraft, including without limitation the optional conversion (an "Aircraft Conversion") of any Aircraft from a passenger aircraft to a freighter or mixed-use aircraft, or for the purpose of purchasing or otherwise acquiring any Engines or Parts outside of the ordinary course of business, excluding any capital expenditure made in the ordinary course of business in connection with a new lease of such Aircraft (each such non-excluded expenditure, a "Modification Payment", and each Modification Payment in respect of an Aircraft Conversion, a "Conversion Payment") and excluding any capital expenditures made under Leases under provisions in effect on the Closing Date therefor.

Notwithstanding the foregoing, the Issuer may, and may permit any Issuer Subsidiary to: (x) make Modification Payments (in

the case of Conversion Payments, with respect to those not financed by Additional Notes); *provided* that (i) each Modification Payment, together with all other Modification Payments made after the Second Closing Date pursuant to this Section 5.02(i) with respect to any single Aircraft, does not exceed the aggregate amount of funds that would be necessary to perform one incidence of heavy maintenance (as described in the Servicing Agreement) on such Aircraft, including the airframe and the related Engines thereof; (ii) (A) such Modification Payment is included in the annual operating budget of the Issuer Group and approved by the Board or (B) the amount of funds necessary to make such Modification Payment shall have been accrued in advance as a Permitted Accrual in the Expense Account through transfers into the Expense Account pursuant to Section 3.09(a)(vi) or otherwise allowed to be paid under Section 5.02(f); (iii) the aggregate amount of all Modification Payments made by all Issuer Group Members, taken as a whole, pursuant to this Section 5.02(i) after the Second Closing Date, including such Modification Payment, shall not exceed 5% of the aggregate Initial Appraised Value of all Aircraft acquired by the Issuer Group and (iv) such Modification Payment is made with the prior written consent of the Policy Provider and (y) make any Conversion Payment from the proceeds of Additional Notes issued in accordance with Section 2.11 in which case the limitations in clause (x) do not apply (other than the limitation in clause (iv) of clause (x)).

(j) Limitation on Consolidation, Merger and Transfer of Assets. The Issuer shall not, and shall not permit any Issuer Subsidiary to, consolidate with, merge with or into, or sell, convey, transfer, lease or otherwise dispose of its property and assets (as an entirety or substantially an entirety in one transaction or in a series of related transactions) to, any other Person, or permit any other Person to merge with or into the Issuer or any Issuer Subsidiary, unless:

(i) the resulting entity is a special purpose entity, the charter of which is substantially similar to the Memorandum of Association of the Issuer or the equivalent charter document of such Issuer Subsidiary, as the case may be, and, after such consolidation, merger, sale, conveyance, transfer, lease or other disposition, payments from such resulting entity to the Holders do not give rise to any withholding tax payments less favorable to the Holders than the amount of any withholding tax payments which would have been required had such event not occurred,

(ii) in the case of any consolidation, merger or transfer by the Issuer, the surviving successor or transferee entity shall expressly assume all of the obligations of the Issuer under this Indenture, the Notes and each other Related Document to which the Issuer is then a party (with, in the case of a transfer only, the Issuer thereupon being released) and in the case of any consolidation, merger or transfer by any other Issuer Group Member, the surviving successor or transferee entity shall expressly assume all of the obligations of such Issuer Group Member under each Related Document to which it is then a party (with, in the case of a transfer only, the Issuer Group Member thereupon being released),

(iii) each of a Rating Agency Confirmation and the prior written consent of each of the Policy Provider (unless the Policy Non-Consent Event has occurred) and the Initial Primary Liquidity Facility Provider (unless the Initial Primary Liquidity Facility Non-Consent Event has occurred) is obtained with respect to such merger, sale, conveyance, transfer, lease or disposition,

(iv) immediately after giving effect to such transaction, no Event of Default shall have occurred and be continuing, and

(v) the Issuer delivers to the Trustee an Officer's Certificate and an Opinion of Counsel, in each case stating that such consolidation, merger or transfer and such supplemental indenture comply with the above criteria and, if applicable, Section 5.02(g) and that all conditions precedent provided for herein relating to such transaction have been complied with;

provided that this covenant shall not apply to any such consolidation, merger, sale, conveyance, transfer, lease or disposition (a) within and among the Issuer Group if such consolidation, merger, sale, conveyance, transfer, lease or disposition, as the case may be, would not materially adversely affect the Holders and written notification of such act is given to each Rating Agency by the Issuer or its agent and the prior written consent of each of the Policy Provider and the Initial Primary Liquidity Facility Provider has been obtained in connection therewith, (b) complying with the terms of Section 5.02(g) or Section 5.02(l) or (c) effected as part of a single transaction providing for the redemption or defeasance of Notes in accordance with Section 3.12 or Article XI, respectively.

(k) Limitation on Transactions with AerCap and Affiliates. The Issuer shall not, and shall not permit any Issuer Subsidiary, directly or indirectly, to enter into, renew or extend any transaction (including, without limitation, the purchase, sale, lease or exchange of property or assets, or the rendering of any service) with AerCap and its Affiliates or any Affiliate of the Issuer or any Issuer Subsidiary, except upon fair and reasonable terms no less favorable to the Issuer or such Issuer Subsidiary than could be obtained, at the time of such transaction or at the time of the execution of the agreement providing therefor, in a comparable arm's-length transaction with a Person that is not such an Affiliate and pursuant to enforceable agreements.

(l) Limitation on the Issuance, Transfer and Sale of Ownership Interests . The Issuer shall not (i) issue, deliver or sell any shares, beneficial interests, participations or other equivalents in equity (however designated, whether voting or non-voting), including, without limitation, all ordinary shares of the Issuer (other than the issuance of shares, beneficial interests, participations or other equivalents existing on or prior to the Second Closing Date), or (ii) sell, or permit any Issuer Subsidiary, directly or indirectly, to issue, deliver or sell, any shares, beneficial interests, participations or other equivalents in equity (however designated, whether voting or non-voting, other than such shares, beneficial interests, participations or other equivalents existing on or prior to the Second Closing Date), except (A) the issuance, sale, delivery, transfer or pledge of Ownership Interests in any Issuer Group Member to or for the benefit of any other Issuer Group Member, (B) the issuance of 95.1% of the shares of the Issuer to the Charitable Trustee (or its nominees) and of 4.9% of the shares of the Issuer to AerCap Ireland, (C) issuances or sales of Ownership Interests of Issuer Subsidiaries incorporated outside of Jersey, Ireland or The Netherlands to nationals in the jurisdiction of incorporation or organization of such Issuer Subsidiary, as the case may be, to the extent required by applicable law or necessary in the determination of the Board to avoid adverse tax consequences or to facilitate the registration or leasing of Aircraft, *provided* that the prior written consent of the Policy Provider has been obtained in

connection therewith, (D) the pledge of the Pledged Shares, Pledged Membership Interests and Pledged Beneficial Interests pursuant to the Security Documents, and (E) the issuance, sale, delivery, transfer or pledge of any Ownership Interests of an Issuer Subsidiary in order to effect the sale of all Aircraft owned by such Issuer

Subsidiary in compliance with Section 5.02(g) (including in connection with a Permitted Tax-Related Disposition).

(m) Bankruptcy and Insolvency; Corporate Governance. The Issuer (i) shall promptly provide the Trustee, the Policy Provider, the Initial Primary Liquidity Facility Provider and the Rating Agencies with written notice of the institution of any proceeding by or against the Issuer or any Issuer Subsidiary, as the case may be, seeking to adjudicate any of them bankrupt or insolvent, or seeking liquidation, Irish law examinership, winding up, reorganization, arrangement, adjustment, protection, relief or composition of their debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee or other similar official for either all or for any substantial part of its property; (ii) shall not take any action to waive, repeal, amend, vary, supplement or otherwise modify its charter document, or those of any Issuer Subsidiary in a manner that would adversely affect the rights, privileges or preferences of any Holder of the Notes; and (iii) shall not, without an affirmative unanimous written resolution of the Board, take any action to waive, repeal, amend, vary, supplement or otherwise modify the provisions of its charter documents or those of any Issuer Subsidiary and shall not permit any Issuer Subsidiary to take any such action without an affirmative unanimous written resolution of the board of directors of such Issuer Subsidiary.

(n) Payment of Principal, Redemption Premium, if any, and Interest. The Issuer shall duly and punctually pay or provide for payment of the principal, Redemption Premium, if any, and interest on the Notes in accordance with the terms of this Indenture and the Notes.

(o) Limitation on Employees. The Issuer shall not, and shall not permit any Issuer Subsidiary to, employ or maintain any employees; *provided* that trustees and directors shall not be deemed to be employees for purposes of this Section 5.02(o).

(p) Compliance and Agreement. The Issuer shall comply, and shall cause each Issuer Subsidiary to comply, with the provisions of the Related Documents and the constitutional documents of the Issuer Group Members. The Issuer shall ensure that title to each Aircraft shall not be held by the Issuer and shall be held in a separate special purpose entity (including a trust) whose constitutional documents contain restrictions similar (subject to local law requirements) to the restrictions (including, but not limited to, the provisions regarding limited purpose and maintaining separateness from other entities in accordance with the terms of Section 5.02(q)(ii)) contained in the constitutional documents of the Issuer Subsidiaries existing on the Second Closing Date.

(q) Maintenance of Separate Existence. Except to the extent provided in this Indenture or the other Related Documents, the Issuer shall, and shall cause each Issuer Subsidiary to, maintain certain policies and procedures relating to its existence as a separate corporation, company or other legal entity as follows:

(i) the Issuer acknowledges its receipt of a copy of that certain opinion letter issued by McCann FitzGerald, dated as of the Second Closing Date addressed to, among others, the Trustee, the Policy Provider, the Initial Primary Liquidity Facility Provider and the Rating Agencies and addressing the issue of substantive consolidation as it may relate to the Issuer and each Issuer Subsidiary (which is incorporated under the laws of Ireland), on the one hand, and the Primary Servicer, the Insurance Servicer, the Financial Administrative Agent and the Primary Administrative Agent (each, an "AerCap Entity" and, collectively, the "AerCap Entities"), on the other. The Issuer hereby agrees to maintain, and to cause each Issuer Subsidiary to maintain, in place all policies and procedures, and take and continue to take all actions, described in the factual assumptions set forth in such opinion letter and relating to the Issuer or such Issuer

Subsidiaries, as applicable; *provided*, *however*, that the Issuer or any such Issuer Subsidiary may cease to maintain any policy or procedure if and to the extent that the Issuer or such Issuer Subsidiary delivers to the Trustee, the Initial Primary Liquidity Facility Provider and the Policy Provider an Opinion of Counsel reasonably acceptable to the Trustee, the Initial Primary Liquidity Facility Provider and the Policy Provider providing that such policy or procedure is no longer necessary, due to a change in law or otherwise, for the rendering of such earlier opinion relating to the issue of substantive consolidation.

(ii) The Issuer shall, and shall cause each Issuer Subsidiary to:

(A) maintain its own books and records and bank accounts separate from those of each AerCap Entity and any other Person except as otherwise contemplated by the constitutional documents of the Issuer Group Members or the Related Documents;

(B) maintain its assets in such a manner that it is not difficult to segregate, identify or ascertain such assets;

(C) have a board of directors separate from that of each AerCap Entity and any other Person; *provided* that the individuals serving as directors of each board of directors may be the same individuals on each board of directors;

(D) cause its board of directors to meet at least annually or act pursuant to written consent and keep minutes of such meetings and actions and observe all other corporate and other legal formalities;

(E) hold itself out to creditors and the public as a legal entity separate and distinct from each AerCap Entity and any other Person;

(F) prepare separate financial statements and separate tax returns, and if separate returns for the Issuer and each AerCap Entity are required under applicable tax law, or if part of a consolidated group, then it will be shown as a separate member of such group, and pay any taxes required to be paid under applicable tax law;

(G) allocate and charge fairly and reasonably any common overhead shared with Affiliates;

(H) conduct business in its own name, use separate invoices, stationery and checks and strictly comply with all organizational formalities to maintain its separate existence or, in communicating through any agent, the Issuer or any Issuer Subsidiary will ensure that such agent identifies the individual entity for whom it is acting;

(I) not commingle its assets or funds with those of any other Person except as otherwise contemplated by the Related Documents and the Loan, Expenses Apportionment and Guarantee Agreement;

(J) not hold out its credit or assets as being available to satisfy the obligations of others except as otherwise contemplated by the Related Documents and the Loan, Expenses Apportionment and Guarantee Agreement;

(K) not assume, guarantee or pay the debts or obligations of any other Person or otherwise pledge its assets for the benefit of any other Person except as otherwise

contemplated by the Related Documents and the Loan, Expenses Apportionment and Guarantee Agreement;

(L) correct any known misunderstanding regarding its separate identity;

(M) pay its own liabilities only out of its own funds other than where indemnified by another party as contemplated by the Related Documents;

(N) not acquire the securities of any AerCap Entity or any Affiliate thereof; and

(O) cause its Board of Directors and any officers, managers, agents and other representatives of the Issuer or such Issuer Subsidiary, as applicable, to act at all times with respect to the Issuer or such Issuer subsidiary, as the case may be, consistently and in furtherance of the foregoing and in compliance with applicable law.

(r) Tombo Aircraft. Unless the Aircraft subject to a Tombo Lease remains registered on the aircraft register of Japan, the Issuer shall cause the relevant Issuer Subsidiary to exercise the purchase option with respect to the Tombo Aircraft at the expiration of the Tombo Lease.

(s) Jersey Filings. The Issuer shall file a copy of this Indenture with the Registrar of Companies in Jersey within five Business Days after the Second Closing Date.

(t) Independent Director. The Issuer shall cause each of its Subsidiaries (except any trust of which the Issuer or an Issuer Subsidiary is the holder of the beneficial interest) to have at least one Independent Director and, upon the resignation or removal of any Independent Director, the Issuer shall not permit such Independent Director to be replaced without the consent of the Policy Provider (such consent not to be unreasonably withheld).

(u) Registered Office. The Issuer shall cause each of the Issuer Subsidiaries that is incorporated under the laws of Ireland to (a) maintain its registered office in Ireland in accordance with the Irish Companies Acts 1963 to 2005 and every other enactment which is to be read together with any of those Acts and (b) maintain its centre of main interest (as that phrase is used in Article 3(l) of Council Regulation (EC) No. 1346/2000 on Insolvency Proceedings) in Ireland.

Section 5.03 Operating Covenants. The Issuer covenants with the parties as follows:

(a) Concentration Limits. Without prior written notification to each of the Rating Agencies, a receipt of a written confirmation in advance from Moody's that such action or transaction in and of itself will not result in the lowering, qualification or withdrawal by Moody's of its then current credit rating, if any, of any subclass of Notes (such rating, in the case of the Class G Notes, as determined without regard to the Policy) and the prior written consent of the Policy Provider, the Issuer shall not permit any Issuer Subsidiary to lease or re-lease any Aircraft if entering into such proposed Lease would cause the Portfolio to exceed any of the Concentration Limits set forth in Exhibit C hereto (as such limits may be adjusted by the Issuer from time to time, subject to a Rating Agency Confirmation from Moody's and the prior written consent of the Policy Provider, the "Concentration Limits"). The Issuer shall not permit any Issuer Group Member to lease or re-lease any Aircraft (i) to any Lessee habitually based or domiciled in any of the jurisdictions set forth as "Prohibited" in the last section of the Concentration Limits set forth on Exhibit C hereto and as amended from time to time upon receipt of a Rating Agency Confirmation from Moody's and the prior written consent of the Policy Provider (each such jurisdiction, a "Prohibited Country"), (ii) enter into any Lease (including any renewal or extension of any existing

Lease) that expressly permits the Lessee to sublease an Aircraft to a sublessee habitually based or domiciled in a Prohibited Country, or (iii) consent to a sublease of an Aircraft to a sublessee of an Aircraft habitually based or domiciled in a Prohibited Country.

(b) Compliance with Law, Maintenance of Permits. The Issuer shall (i) comply, and cause each Issuer Subsidiary to comply, in all material respects with all Applicable Laws, (ii) obtain, and cause each Issuer Subsidiary to obtain, all material governmental (including regulatory) registrations, certificates, licenses, permits and authorizations required for the use and operation of the Aircraft owned by it, including, without limitation, a current certificate of airworthiness for each such Aircraft (issued by the Applicable Aviation Authority and in the appropriate category for the nature of the operations of such Aircraft), except that (A) no certificate of airworthiness shall be required for any Aircraft (x) during any period when such Aircraft is undergoing maintenance, modification or repair, or (y) following the withdrawal or suspension by such Applicable Aviation Authority of certificates of airworthiness in respect of all aircraft of the same model or period of manufacture as such Aircraft (in which case the Issuer shall comply, and cause each Issuer Subsidiary to comply, with all directions of such Applicable Aviation Authority in connection with such withdrawal or suspension), (B) no registrations, certificates, licenses, permits or authorizations required for the use or operation of any Aircraft need be obtained with respect to any period when such Aircraft is not being operated and (C) no such registrations, certificates, licenses, permits or authorizations shall be required to be maintained for any Aircraft that is not the subject of a Lease, except to the extent required under Applicable Laws, (iii) not cause or knowingly permit, directly or indirectly, through any Issuer Subsidiary, any Lessee to operate any Aircraft under any Lease in any material respect contrary to any Applicable Law and (iv) not knowingly permit, directly or indirectly, through any Issuer Subsidiary, any Lessee not to obtain all material governmental (including regulatory) registrations, certificates, licenses, permits and authorizations required for such Lessee's use and operation of any Aircraft under any operating Lease except as provided, *mutatis mutandis*, in clauses (ii)(A) and (ii)(B) above.

Notwithstanding the foregoing, no breach of this Section 5.03(b) shall be deemed to have occurred by virtue of any act or omission of a Lessee or sub-lessee, or of any Person which has possession of the Aircraft or any Engine for the purpose of repairs, maintenance, modification or storage, or by virtue of any requisition, seizure, or confiscation of the Aircraft (other than seizure or confiscation arising from a breach by the Issuer or an Issuer Subsidiary of this Section 5.03(b)) (each, a "Third Party Event"); *provided* that (i) neither the Issuer nor any Issuer Subsidiary consents or has consented to such Third Party Event; and (ii) the Issuer or Issuer Subsidiary which is the lessor or owner of such Aircraft promptly and diligently takes such commercially reasonable actions as a leading international aircraft operating lessor would reasonably take in respect of such Third Party Event, including, as deemed appropriate (taking into account, *inter alia*, the laws of the jurisdictions in which the Aircraft are located), seeking to compel such Lessee or other relevant Person to remedy such Third Party Event or seeking to repossess the relevant Aircraft or Engine.

(c) Appraisal of Aircraft. The Issuer shall, at least once a year and in no event later than September 30 of each year (commencing in 2008), deliver to the Trustee, the Cash Manager, the Initial Primary Liquidity Facility Provider and the Policy Provider for inclusion in its next Monthly Report (with no obligation of review or inquiry on the part of the Trustee) three appraisals of the Base Value of each of the Aircraft from each of Initial Appraisers or, if any of the Initial Appraisers is unable to provide an appraisal, from the remaining Initial Appraisers and such other independent appraisers that are members of the International Society of Transport Aircraft Trading or similar professional aircraft appraisal organization (each, an "Appraiser") selected by the Issuer with the prior written consent of the Policy Provider, each such appraisal to be dated within 30 days prior to its delivery to the Trustee and the Policy Provider.

(d) Maintenance of Assets. The Issuer shall (i) with respect to each Aircraft and Engine that is subject to a Lease, cause, directly or indirectly, through any Issuer Subsidiary, such Aircraft and Engine to be maintained in a state of repair and condition consistent with the reasonable commercial practice of leading international aircraft operating lessors with respect to similar aircraft under lease, taking into consideration, among other things, the identity of the relevant Lessee (including the credit standing and operating experience thereof), the age and condition of the Aircraft and the jurisdiction in which such Aircraft will be operated or registered under such Lease and (ii) with respect to each Aircraft that is not subject to a Lease, maintain, and cause each Issuer Subsidiary to maintain, such Aircraft in a state of repair and condition consistent with the reasonable commercial practice of leading international aircraft operating lessors with respect to aircraft not under lease. Notwithstanding the foregoing, no breach of this Section 5.03(d) shall be deemed to have occurred by virtue of any Third Party Event; *provided* that (i) neither the Issuer nor any Issuer Subsidiary consents or has consented to such Third Party Event; and (ii) the Issuer or such Issuer Subsidiary which is the lessor or owner of such Aircraft promptly and diligently takes such commercially reasonable actions as a leading international aircraft operating lessor would reasonably take in respect of such Third Party Event, including as deemed appropriate, seeking to compel such Lessee or other relevant Person to remedy such Third Party Event or seeking to repossess the relevant Aircraft or Engine.

(e) Notification of Trustee, Policy Provider, Initial Primary Liquidity Facility Provider, Administrative Agent and Cash Manager. The Issuer shall notify the Trustee, the Policy Provider, the Administrative Agent, the Initial Primary Liquidity Facility Provider and the Cash Manager in writing as soon as the Issuer or any Issuer Subsidiary becomes aware of any loss, theft, damage or destruction to any Current Aircraft, Additional Aircraft or Engine if the potential cost of repair or replacement of such asset (without regard to any insurance claim related thereto) may exceed the lower of $5,000,000 and the damage notification threshold specified in the relevant Lease.

(f) Leases. (i) The Issuer shall adopt and shall cause the Primary Servicer to utilize the pro forma lease in the form provided to the Issuer on the Second Closing Date as such pro forma lease agreement or agreements may be revised for purposes of the Issuer Group specifically or generally from time to time by the Primary Servicer in a manner consistent with the Primary Servicer's "Standard of Care" (as defined in the Servicing Agreement) and in accordance with the procedure set forth in clause (f)(iv) of this Section 5.03 (the "Servicer's Pro Forma Lease"), for use by the Primary Servicer on behalf of the Issuer or any Issuer Subsidiary as a

starting point in the negotiation of Future Leases with Persons who are not Issuer Group Members; *provided*, *however*, that with respect to any Future Lease entered into in connection with (x) the renewal or extension of a Current Lease, (y) the leasing of an Aircraft to a Person that is or was a Lessee under a Current Lease or (z) the leasing of an Aircraft to a Person that is or was the lessee under an operating lease of an aircraft that is being managed or serviced by the Primary Servicer (such Future Lease, a "Renewal Lease"), a form of lease substantially similar to such Current Lease or operating lease (a "Precedent Lease"), as the case may be, may be used by the Primary Servicer in lieu of the Servicer's Pro Forma Lease on behalf of the Issuer or any Issuer Subsidiary as a starting point in the negotiation of such Future Lease with Persons who are not Issuer Group Members.

(ii) *Provided* that the Primary Servicer commences the negotiation of a lease of any Aircraft in accordance with clause (i) above, the terms of any executed Lease may vary from the terms of the Servicer's Pro Forma Lease or the Precedent Lease employed by the Primary Servicer in accordance with such clauses. It is the intention of the parties that following the execution and delivery of any Lease with respect to Aircraft the Primary Servicer shall deliver a copy of the executed Lease, together with a copy thereof marked to reflect changes from the precedent employed in accordance with the foregoing procedures, to the Policy Provider and, if requested by the Issuer, to the Issuer within 20 Business Days of such execution and delivery.

(iii) 60 days prior to each anniversary of the Second Closing Date for purposes of the annual review of the Servicer's Pro Forma Lease (the "Annual Review"), the Primary Servicer shall provide the Issuer, the Policy Provider, the Initial Primary Liquidity Facility Provider and the Administrative Agent with a copy of the Revisions (as defined below) made since the last Annual Review, or, in the case of the first Annual Review, since the Second Closing Date. At each Annual Review, the Issuer may propose amendments to the Servicer's Pro Forma Lease (provided that the Issuer may not propose amendments which would require the Primary Servicer to obtain lease terms which are not reasonably commercially available) and the Primary Servicer shall revise the Servicer's Pro Forma Lease in accordance with such proposed amendments. The Issuer may take independent advice as to whether any such amendments should be made.

(iv) At any time and from time to time the Primary Servicer may make revisions (the "Revisions") to the Servicer's Pro Forma Lease to conform it to the Primary Servicer's then current pro forma lease used in its Own Business (as defined in the Servicing Agreement) and shall commence the negotiation of any Lease thereafter with the Servicer's Pro Forma Lease as so revised; *provided* that the Core Lease Provisions and the specific terms of the Core Lease Provisions of the Servicer's Pro Forma Lease may not be amended without the prior written consent of the Policy Provider and the Issuer. The Issuer shall not enter into, and shall not permit any Issuer Subsidiary to enter into, any Future Lease the rental payments under which are denominated in a currency other than U.S. dollars without a Rating Agency Confirmation and the prior written consent of the Policy Provider.

(g) Opinions. The Issuer shall not enter into, and shall not permit any Issuer Subsidiary to enter into, any Future Lease with any Person that is not an Issuer Group Member or change the jurisdiction of registration of any Aircraft that is subject to a Lease, unless, upon entering into such Future Lease or changing the jurisdiction of registration of such Aircraft (or within a commercially reasonable period thereafter), the Primary Servicer obtains such legal opinions, if any, with regard to compliance with the registration requirements of the relevant jurisdiction, enforceability of the Future Lease, matters relating to the Cape Town Convention (if applicable) and such other matters customary for such transactions to the extent that receiving such legal opinions is consistent with the reasonable commercial practice of leading international aircraft operating lessors.

(h) Insurance. The Issuer shall maintain or cause, directly or indirectly through the Issuer Subsidiaries, to be maintained with reputable and responsible insurers or, provided that the applicable insurance policy contains a cut-through clause requiring the reinsurers to pay the insured directly (other than in any instances where local law requirements mandate otherwise), with insurers that maintain relevant reinsurance with reputable and responsible reinsurers (i) airline hull insurance for each Aircraft in an amount at least equal to the Note Target Price (except that such amount may be less than the Note Target Price if a Rating Agency Confirmation and the prior written consent of the Policy Provider has been obtained) for such Aircraft (or the equivalent thereof from time to time if such insurance is denominated in a currency other than U.S. dollars) and (ii) airline liability insurance for each Aircraft and occurrence in an amount at least equal to the relevant amount set forth on Exhibit D hereto for each model of aircraft and as amended from time to time with the approval of the Rating Agencies and the prior written consent of the Policy Provider and (iii) airline repossession insurance ("Repossession Insurance") for each Aircraft subject to a Lease to a Lessee habitually based or domiciled in a jurisdiction set forth under the "Repossession Guidelines" set forth in Exhibit C hereto, which may be amended from time to time only with the approval of the Rating Agencies and the prior written consent of the Policy Provider, in an amount at least equal to the Note Target Price (or the equivalent thereof from time to time if such insurance is denominated in a currency other than U.S. dollars) for such Aircraft; *provided*, *further*, that with respect to any such insurance for any Aircraft subject to a Lease, such insurance may be subject to commercially reasonable deductible and self-insurance arrangements (taking into account, *inter alia*, the

creditworthiness and experience of the Lessee, if any, the type of aircraft and market practices in the aircraft insurance industry generally). The coverage and terms (including endorsements, deductibles and self-insurance arrangements) of any insurance maintained with respect to any Aircraft not subject to a Lease shall be substantially consistent with the commercial practices of leading international aircraft operating lessors regarding similar aircraft. In determining the amount of insurance required to be maintained by this Section 5.03(h), the Issuer may take into account any indemnification from, or insurance provided by, any governmental, supranational or inter-governmental authority or agency (other than, with respect to Repossession Insurance, any governmental authority or agency of any jurisdiction for which Repossession Insurance must be obtained), the sovereign foreign currency debt rating of which is rated at least A-, or the equivalent, by at least one of the Rating Agencies (provided that such credit rating requirement shall not apply in the case of any

War Risk Coverage), against any risk with respect to an Aircraft at least in an amount which, when added to the amount of insurance against such risk maintained by the Issuer (or which the Issuer has caused to be maintained), shall be at least equal to the amount of insurance against such risk otherwise required by this Section 5.03(h) (taking into account self-insurance permitted by this Section 5.03(h)). Any such indemnification or insurance provided by such government shall provide substantially similar protection as the insurance required by this Section 5.03(h).

The Issuer shall cause, or shall cause the applicable Issuer Subsidiary to cause, each Lessee to be obligated under its respective Lease to maintain War Risk Coverage as part of the insurance requirements in such Lease. The Issuer shall cause, or shall cause the applicable Issuer Subsidiary to cause, each Lessee to maintain War Risk Coverage in accordance with the requirements set forth in Exhibit D hereto. In the event that a Lessee does not maintain such requisite level of War Risk Coverage or allows such War Risk Coverage to lapse, the Issuer shall cause the applicable Issuer Subsidiary lessor to immediately bring enforcement proceedings against the applicable Lessee under the terms of the applicable Lease to repossess the applicable Aircraft and use its best efforts to ensure that such Aircraft does not operate without War Risk Coverage at such required levels; *provided*, *however*, that so long as the Issuer is in compliance with the requirements set forth in the next succeeding sentence and the applicable Lessee is not otherwise in default under the related Lease, the Issuer shall have 180 days to cause, or to cause the applicable Issuer Subsidiary lessor to cause, the Lessee to comply with the insurance requirements set forth herein and under the Lease prior to bringing any such enforcement proceedings; *provided further*, that if, for any reason, neither the Issuer nor the applicable Issuer Subsidiary lessor has a right under the applicable Lease to require a Lessee to maintain War Risk Coverage at the requisite levels, the Issuer shall nevertheless be obligated to cause such Lessee to maintain War Risk Coverage at the requisite levels described in Exhibit D hereto (by negotiating in good faith with such Lessee or otherwise), subject only to the additional time provided in the immediately preceding proviso if the Issuer is in compliance with requirements set forth in the next succeeding sentence and the applicable Lessee is not otherwise in default under the related Lease. The Issuer shall carry contingent and excess War Risk Coverage in accordance with the requirements set forth in Exhibit D hereto.

The obligations set forth in the foregoing paragraph may be waived upon receipt of the prior written consent of the Policy Provider and the receipt of a Rating Agency Confirmation from Moody's.

(i) Indemnity. The Issuer shall, and shall cause each Issuer Subsidiary to, include in each Lease between the Issuer or such Issuer Subsidiary and a Person who is not an Issuer Group Member an indemnity from such Person in respect of any losses or liabilities arising from the use or operation of the Aircraft during the term of such Lease, subject to such exceptions, limitations and qualifications as are consistent with the reasonable commercial practice of leading international aircraft operating lessors.

Section 5.04 Compliance Through Agents. The Issuer shall be entitled to delegate the performance of any of its covenants hereunder to one or more Service Providers pursuant to one or more

Related Documents entered into in accordance with the terms of this Indenture so long as each such Related Document is subject to the Lien of the Security Trust Agreement. Nothing in this Section 5.04 is intended to, or shall, relieve the Issuer from any liability or consequences hereunder arising from the failure of the Issuer or any such Service Provider to perform any such covenant strictly in accordance with the terms of this Indenture.

ARTICLE VI

THE TRUSTEE

Section 6.01 Acceptance of Trusts and Duties. The duties and responsibilities of the Trustee shall be as provided by the TIA and as set forth herein. The Trustee accepts the trusts hereby created and applicable to it and agrees to perform the same but only upon the terms of this Indenture and the TIA and agrees to receive and disburse all moneys received by it in accordance with the terms hereof. The Trustee in its individual capacity shall not be answerable or accountable under any circumstances, except for its own willful misconduct or negligence or breach of any of its representations or warranties set forth herein and the Trustee shall not be liable for any action or inaction of the Issuer or any other parties to any of the Related Documents. The fees and out-of-pocket expenses of the Trustee shall be Expenses of the Issuer.

Section 6.02 Absence of Duties. Except in accordance with written instructions or requests furnished hereunder, the Trustee shall have no duty to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of any Lessee.

Section 6.03 Representations or Warranties. The Trustee does not make and shall not be deemed to have made any representation or warranty as to the validity, legality or enforceability of this Indenture, the Securities or any other document or instrument or as to the correctness of any statement contained in any thereof, except that the Trustee in its individual capacity hereby represents and warrants (i) that each such specified document 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, and (ii) this Indenture is the legal, valid and binding obligation of Deutsche Bank Trust Company Americas, enforceable against Deutsche Bank Trust Company Americas in accordance with its terms, subject to the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar law affecting creditors' rights generally.

Section 6.04 Reliance; Agents; Advice of Counsel. The Trustee may conclusively rely and shall be fully protected and incur no liability to anyone in acting or refraining from acting upon any signature, instrument, notice, resolution, request, consent, order, certificate, report, opinion, bond or other document or paper believed by it to be genuine and believed by it to be signed by the proper party or parties. The Trustee shall have no obligation to confirm the veracity of the content of any such item provided to it (absent

manifest error). The Trustee may accept a copy of a resolution of, in the case of the Issuer, the Directors and, in the case of any other party to any Related Document, the governing body of such Person, certified in an accompanying Officer's Certificate 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, the Trustee shall be entitled to receive and may for all purposes hereof conclusively rely on a certificate, signed by an officer of any duly authorized Person, as to such fact or matter, and such certificate shall constitute full protection to the Trustee for any action taken or omitted to be taken by it in good faith in reliance thereon. The Trustee shall furnish to the Administrative Agent upon written request such information and copies of such documents as the Trustee may have and as are necessary for the Administrative Agent to perform its duties under Articles II and III hereof. The Trustee shall assume, and shall be fully protected in assuming, that the Issuer is authorized by its constitutional documents to enter

into this Indenture and to take all action permitted to be taken by it pursuant to the provisions hereof, and shall not inquire into the authorization of the Issuer with respect thereto.

The Trustee shall not be liable for any action it takes or omits to take in good faith that it believes to be authorized or within its rights or powers or for any action it takes or omits to take in accordance with the direction of the Controlling Party, in accordance with Section 4.12 relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture.

The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys or a custodian or nominee, and the Trustee shall not be responsible for any misconduct or negligence on the part of, or for the supervision of, any such agent, attorney, custodian or nominee appointed with due care by it hereunder.

The Trustee may consult with counsel as to any matter relating to this Indenture and any Opinion of Counsel or any advice of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered or omitted by it hereunder in good faith and in accordance with such advice or Opinion of Counsel.

The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture, or to institute, conduct or defend any litigation hereunder or in relation hereto, at the request, order or direction of any of the Holders, pursuant to the provisions of this Indenture, unless such Holders shall have offered to the Trustee security or indemnity reasonably satisfactory to it against the costs, expenses and liabilities which may be Incurred therein or thereby (the basis of such costs, expense or liability, if in respect of any third party liability, shall be supported by an Opinion of Counsel).

The Trustee shall not be required to expend or risk its own funds or otherwise Incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if there is reasonable ground for believing that the repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it, and none of the provisions contained in this Indenture shall in any event require the Trustee to perform, or be responsible or liable for the manner of performance of, any obligations of the Issuer or the Administrative Agent under this Indenture or any of the Related Documents.

The Trustee shall not be liable for any Costs or Taxes (except for Taxes relating to any compensation, fees or commissions of any entity acting in its capacity as Trustee hereunder) or in connection with the selection of Permitted Account Investments or for any investment losses resulting from Permitted Account Investments.

When the Trustee Incurs expenses or renders services in connection with an Event of Default specified in Section 4.01(e) or 4.01(f), such expenses (including the fees and expenses of its counsel) and the compensation for such services are intended to constitute expenses of administration under any bankruptcy law or law relating to creditors' rights generally.

The Trustee shall not be charged with knowledge of an Event of Default unless a Responsible Officer of the Trustee obtains actual knowledge of such event or the Trustee receives written notice of such event from the Issuer, the Administrative Agent or any Holder.

The Trustee shall have no duty to monitor the performance of the Issuer, the Cash Manager or any other party to the Related Documents, nor shall it have any liability in connection with the malfeasance or nonfeasance by such parties. The Trustee shall have no liability in connection with the

appointment of the Administrative Agent or compliance by the Issuer, the Administrative Agent and the Cash Manager or any lessee under a Lease with statutory or regulatory requirements related to any Aircraft or any Lease. The Trustee shall have no obligation, or liability in respect thereto, to verify or recalculate any of the determinations made by the Administrative Agent pursuant to the Related Documents. The Trustee shall not make or be deemed to have made any representations or warranties with respect to any Aircraft or any Lease or the validity or sufficiency of any assignment or other disposition of any Aircraft or any Lease.

Section 6.05 No Compensation from Holders. The Trustee agrees that it shall have no right against the Holders, the Policy Provider or, except as provided in Article III, the property of the Issuer, for any fee as compensation for its services hereunder.

Section 6.06 Notice of Defaults. As promptly as practicable after, and in any event within 30 days after, the occurrence of any Default or Event of Default, the Trustee shall transmit by mail to the Issuer, any Paying Agent, the Cash Manager, the Policy Provider, the Initial Primary Liquidity Facility Provider, the Rating Agencies and the Holders holding Notes of the related subclass, notice of such Default or Event of Default actually known to a Responsible Officer of the Trustee, unless such Default or Event of Default shall have been cured or waived; *provided*, *however*, that, except in the case of a Default or Event of Default on the payment of the interest on or principal or Redemption Price of any Note, the Trustee shall be fully protected in withholding such notice if and so long as a trust committee of Responsible Officers of the Trustee in good faith determines that the withholding of such notice is in the best interests of the Holders of the related class; *provided further* that the Trustee shall in any event notify the Policy Provider and the Initial Primary Liquidity Facility Provider of any such Default or Event of Default.

Section 6.07 May Hold Securities. The Trustee, any Paying Agent, the Registrar or any of their Affiliates or any other agent in their respective individual or any other capacity, may become the owner or pledgee of Securities and, subject to Sections 310(b) and 311 of the TIA, may otherwise deal with the Issuer with the same rights it would have if it were not Trustee, Paying Agent, Registrar or such other agent.

Section 6.08 Corporate Trustee Required; Eligibility. There shall at all times be a Trustee which shall be eligible to act as a trustee under Section 310(a) of the TIA and shall meet the Eligibility Requirements. If such corporation publishes reports of conditions at least annually, pursuant to law or to the requirements of federal, state, territorial or District of Columbia supervising or examining authority, then for the purposes of this Section 6.08, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of conditions so published.

In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section 6.08 to act as Trustee, the Trustee shall resign immediately as Trustee in the manner and with the effect specified in Section 7.01.

Section 6.09 Disqualification of Trustee. If this Indenture is qualified under the TIA, the Trustee shall be subject to the provisions of Section 310(b) of the TIA during the period of time provided for therein. If this Indenture has been qualified under the TIA and the Trustee has or shall acquire a conflicting interest within the meaning of the TIA, the Trustee shall either eliminate such interest or resign, to the extent and in the manner provided by, and subject to the provisions of, the TIA and this Indenture. Nothing herein shall prevent the Trustee from filing with the Commission the application referred to in the second to last paragraph of Section 310(b) of the TIA.

Section 6.10 Preferential Collection of Claims Against Issuer. The Trustee shall comply with Section 311(a) of the TIA as if this Indenture were required to be qualified under the TIA, excluding any creditor relationship listed in Section 311(b) of the TIA. A Trustee who has resigned or been removed shall be subject to Section 311(a) of the TIA to the extent applicable and to the extent indicated therein.

Section 6.11 Reports by the Issuer. The Issuer shall furnish to the Trustee, within 120 days after the end of each fiscal year, a brief certificate from a Director as to his or her knowledge of the Issuer's compliance with all conditions and covenants under this Indenture (it being understood that for purposes of this Section 6.11, such compliance shall be determined without regard to any period of grace or requirement of notice provided under this Indenture).

Section 6.12 Holder Lists. The Issuer will furnish or cause to be furnished to the Trustee with respect to the Notes of each class:

(a) semi-annually, not later than 15 days after such semi-annual dates as may be specified by the Trustee, a list, in such form as the Trustee may reasonably require, of the names and addresses of the Holders as of such semi-annual date, as the case may be, and

(b) at such other times as the Trustee may request in writing, within 30 days after the receipt by the Issuer of any such request, a list of similar form and content as of a date not more than 15 days prior to the time such list is furnished, excluding from any such list names and addresses received by the Trustee in its capacity as Registrar.

Section 6.13 Preservation of Information; Communications to Holders. (a) The Trustee shall preserve, in as current a form as is reasonably practicable, the names and addresses of Holders contained in the most recent list furnished to the Trustee as provided in Section 6.12 and the names and addresses of Holders received by the Trustee in its capacity as Registrar. The Trustee may destroy any list furnished to it as provided in Section 6.12 upon receipt of a new list so furnished.

(b) If three or more Holders of Notes of any subclass (hereinafter referred to as "applicants") apply in writing to the Trustee, and furnish to the Trustee reasonable proof that each such applicant has owned a Note of such subclass for a period of at least six months preceding the date of such application, and such application states that the applicants desire to communicate with other Holders of Notes of such subclass or with the Holders of all Notes with respect to their rights under this Indenture or under such Notes and is accompanied by a copy of the form of proxy or other communication which such applicants propose to transmit, then the Trustee shall, within five Business Days after the receipt of such application, at its election, either:

(i) afford such applicants access to the information preserved at the time by the Trustee in accordance with Section 6.13(a), or

(ii) inform such applicants as to the approximate number of Holders of Notes of such subclass or all Notes, as the

case may be, whose names and addresses appear in the information preserved at the time by the Trustee in accordance with Section 6.13(a), and as to the approximate cost of mailing to such Holders the form of proxy or other communication, if any, specified in such application.

If the Trustee shall elect not to afford such applicants access to such information, the Trustee shall, upon the written request of such applicants, mail to each Holder of a Note of such subclass or to all Holders, as the case may be, whose names and addresses appear in the information preserved at the time by the Trustee in accordance with Section 6.13(a), a copy of the form of proxy or other communication

which is specified in such request, with reasonable promptness after a tender to the Trustee of the material to be mailed and of payment, or provision for the payment, of the reasonable expenses in connection with such mailing.

(c) Every Holder of Notes, by receiving and holding the same, agrees with the Issuer and the Trustee that neither the Issuer nor the Trustee shall be held accountable by reason of the disclosure of any such information as to the names and addresses of the Holders in accordance with Section 6.13(b), regardless of the source from which such information was derived, and that the Trustee shall not be held accountable by reason of mailing any material pursuant to a request made under Section 6.13(b).

Section 6.14 Tax Matters. The Trustee will comply with all withholding, backup withholding and information reporting requirements under the Code and the U.S. Treasury Regulations promulgated thereunder (including, but not limited to, the collection of Internal Revenue Service Forms W-8 and W-9 and the filing of Internal Revenue Service Forms 1042, 1042S and 1099).

ARTICLE VII

SUCCESSOR TRUSTEES

Section 7.01 Resignation and Removal of Trustee. The Trustee may resign as to all or any of the subclasses of the Notes at any time without cause by giving at least 90 days' prior written notice to the Issuer, the Policy Provider, the Initial Primary Liquidity Facility Provider the Administrative Agent, the Cash Manager, the Servicer and the Holders, such resignation to be effective only upon the acceptance of the appointment by a successor Trustee. Holders of a majority of the Outstanding Principal Balance of any subclass of the Notes (or, with respect to any subclass of Class G Notes, either the Policy Provider or the Initial Primary Liquidity Facility Provider, as applicable, so long as it is the Controlling Party) may at any time remove the Trustee as to such subclass without cause by an instrument in writing delivered to the Issuer, the Administrative Agent, the Cash Manager, the Servicer, the Security Trustee, the Senior Trustee and the Trustee being removed, such removal to be effective only upon the acceptance of the appointment by a successor Trustee. In addition, the Issuer may remove the Trustee as to any of the subclasses of the Notes if: (a) if this Indenture has been qualified under the TIA, such Trustee fails to comply with Section 310 of the TIA after written request therefor by the Issuer or a Holder of the related subclass who has been a bona fide Holder for at least six months, (b) such Trustee fails to comply with Section 7.02(c), (c) such Trustee is adjudged a bankrupt or an insolvent, (d) a receiver or public officer takes charge of such Trustee or its property or (e) such Trustee becomes incapable of acting. References to the Trustee in this Indenture include any successor Trustee as to all or any of the subclasses of the Notes appointed in accordance with this Article VII.

Section 7.02 Appointment of Successor. (a) In the case of the resignation or removal of the Trustee as to any subclass of the Notes under Section 7.01, the Issuer shall promptly appoint a successor Trustee as to such subclass; *provided* that a majority of the Outstanding Principal Balance of such subclass of the Notes may appoint, within one year after such resignation or removal, a successor Trustee as to such subclass which may be other than the successor Trustee appointed by the Issuer, and such successor Trustee appointed by the Issuer shall be superseded by the successor Trustee so appointed by the Holders. If a successor Trustee as to any subclass of the Notes shall not have been appointed and accepted its appointment hereunder within 60 days after the Trustee gives notice of resignation as to such subclass, the retiring Trustee, the Issuer, the Administrative Agent, the Cash Manager, the Servicer, the Policy Provider, the Initial Primary Liquidity Facility Provider or a majority of the Outstanding Principal Balance of such subclass of the Notes may petition any court of competent jurisdiction for the appointment of a successor Trustee as to such subclass. Any successor Trustee so appointed by such court shall immediately and without further act be superseded by any successor Trustee appointed as

provided in the first sentence of this paragraph within one year from the date of the appointment by such court.

(b) Any successor Trustee as to any subclass of the Notes, however appointed, shall execute and deliver to the Issuer, the Administrative Agent, the Cash Manager, the Servicer and the predecessor Trustee as to such subclass an instrument accepting such appointment (with a copy to the Rating Agencies), and thereupon such successor Trustee, without further act, shall become vested with all the estates, properties, rights, powers, duties and trusts of such predecessor Trustee hereunder in the trusts hereunder applicable to it with like effect as if originally named the Trustee as to such subclass herein; *provided* that, upon the written request of such successor Trustee, such predecessor Trustee shall, upon payment of all amounts due and owing to it, execute and deliver an instrument transferring to such successor Trustee, upon the trusts herein expressed applicable to it, all the estates, properties, rights, powers and trusts of such predecessor Trustee, and such predecessor Trustee shall duly assign, transfer, deliver and pay over to such successor Trustee all moneys or other property then held by such predecessor Trustee hereunder solely for the benefit of such subclass of the Notes.

(c) If a successor Trustee is appointed with respect to one or more (but not all) subclasses of the Notes, the Issuer, the

predecessor Trustee and each successor Trustee with respect to each subclass of Notes shall execute and deliver an indenture supplemental hereto which shall contain such provisions as shall be deemed necessary or desirable to confirm that all the rights, powers, trusts and duties of the predecessor Trustee with respect to the subclasses of Notes as to which the predecessor Trustee is not retiring shall continue to be vested in the predecessor Trustee, and shall add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the Notes hereunder by more than one Trustee.

(d) Each Trustee shall be an Eligible Institution and shall meet the Eligibility Requirements, if there be such an institution willing, able and legally qualified to perform the duties of a Trustee hereunder; *provided* that the Rating Agencies shall receive notice of any replacement Trustee.

(e) Any corporation into which the 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 the Trustee shall be a party, or any corporation to which substantially all the business of the Trustee may be transferred, shall, subject to the terms of paragraph (c) of this Section, be the Trustee under this Indenture without further act.

ARTICLE VIII

INDEMNITY

Section 8.01 Indemnity. The Issuer shall indemnify the Trustee (and its officers, directors, employees and agents) for, and hold it harmless against, any loss, liability or expense Incurred by it without negligence or bad faith on its part in connection with the acceptance or administration of this Indenture and its duties under this Indenture, the Notes and the other Related Documents, including the costs and expenses of defending itself against any claim or liability and of complying with any process served upon it or any of its officers in connection with the exercise or performance of any of its powers or duties and hold it harmless against, any loss, liability or reasonable expense Incurred without negligence or bad faith on its part, arising out of or in connection with actions taken or omitted to be taken in reliance on any Officer's Certificate furnished hereunder, or the failure to furnish any such Officers' Certificate required to be furnished hereunder. The Trustee shall notify the Issuer, the Rating Agencies, the Policy Provider and the Initial Primary Liquidity Facility Provider promptly of any claim asserted against the Trustee for which it may seek indemnity; *provided*, *however*, that failure to provide such notice shall not

invalidate any right to indemnity hereunder. The Issuer shall defend the claim and the Trustee shall cooperate in the defense. The Trustee may have separate counsel and the Issuer shall pay reasonable fees and expenses of such counsel. The Issuer need not pay for any settlements made without its consent; *provided* that such consent shall not be unreasonably withheld or delayed. The Issuer need not reimburse any expense or indemnity against any loss or liability Incurred by the Trustee through negligence or bad faith. The provisions of this Section 8.01 and Section 8.02 shall survive the termination of this Indenture or the earlier resignation or removal of the Trustee.

Section 8.02 Holders' Indemnity. The Trustee shall be entitled to be indemnified (except with respect to losses, damages or obligations arising from the Trustee's negligence or bad faith) by the Holders of any subclass of the Notes before proceeding to exercise any right or power under this Indenture or the Cash Management Agreement at the request or direction of such Holders (the basis of any loss, damage or obligation, if in respect of any third party liability, should be supported by an Opinion of Counsel).

ARTICLE IX

MODIFICATION

Section 9.01 Modification with Consent of Holders, the Policy Provider, the Initial Primary Liquidity Facility Provider. With the consent of Holders of a majority of the Outstanding Principal Balance of the Notes on the date of any vote of such Holders (voting as a single class) and the Policy Provider, the Initial Primary Liquidity Facility Provider, the Issuer, when authorized by a Board Resolution and after the receipt of a Rating Agency Confirmation, may amend or modify this Indenture or the Notes; *provided* that, any amendment may modify Sections 5.02(g) and (i) and 5.03 of this Indenture without the consent of the Initial Primary Liquidity Facility Provider unless such amendment is with respect to a provision which includes the Initial Primary Liquidity Facility Provider's right of consent or approval thereunder; *provided further* that, without the consent of the Policy Provider, each provider of an Eligible Credit Facility and each Holder of any Notes, in each instance affected thereby, no such amendment may, except as otherwise provided in Section 3.12, modify the provisions of this Indenture or the Notes setting forth the frequency or the currency of payment of, the maturity of, or the method of calculation of the amount of, any interest, principal, or Redemption Price, Policy Redemption Premium or Policy Premium, if any, payable in respect of any subclass of Notes, or reduce the percentage of the aggregate Outstanding Principal Balance of any subclass of Notes required to approve any amendment or waiver of this Section 9.01 or, except as otherwise provided in Section 3.10, alter the manner or priority of payment of such subclass of Notes (each, a "Basic Terms Modification").

It shall not be necessary for the consent of the Holders and each provider of an Eligible Credit Facility under this Section 9.01 to approve the particular form of any proposed amendment or waiver, but it shall be sufficient if such consent approves the substance thereof; *provided*, *however* that it shall be necessary for the Policy Provider, the Initial Primary Liquidity Facility Provider to approve the particular form of any proposed amendment or waiver. Any such modification approved by the required Holders of any class or subclass of Notes will be binding on the Holders of the relevant class or subclass of Notes and each party to this Indenture.

The Issuer shall give each Rating Agency, the Policy Provider, the Initial Primary Liquidity Facility Provider, each provider of an Eligible Credit Facility and any paying agent, prior notice of any amendment under this Section 9.01, and, after an amendment under this Section 9.01 becomes effective, the Issuer shall mail to the Holders, the Policy Provider, the Initial Primary Liquidity Facility

Provider, each provider of an Eligible Credit Facility and the Rating Agencies a notice briefly describing such

amendment. Any failure of the Issuer to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such amendment.

After an amendment under this Section 9.01 becomes effective, it shall bind every Holder whether or not notation thereof is made on any Note held by such Holder.

Section 9.02 Modification Without Consent of Holders, Providers of Eligible Credit Facilities and the Policy Provider. Subject to Section 9.01, the Trustee may agree with the Issuer, without the consent of any Holder or any provider of an Eligible Credit Facility (but in the case of clauses (c) and (d) below, with the consent of the Policy Provider and further, in the case of clause (c) below, with the consent of the Initial Primary Liquidity Facility Provider), (a) to any modification (other than a Basic Terms Modification) of, or the waiver or authorization of any breach or prospective breach of, any provision of any Related Document or of the relevant subclass of Notes to correct a manifest error or an error which is of a formal, minor or technical nature, (b) to modify the provisions of this Indenture or the Cash Management Agreement relating to the timing of movement of Rental Payments or other monies received or Expenses Incurred among the Accounts by the Cash Manager, (c) to add or replace any Eligible Credit Facility, (d) to any amendment, supplement or modification (other than a Basic Terms Modification) of any Related Document necessary or advisable to facilitate the issuance of Refinancing Notes and/or Additional Notes and related acquisition of Additional Aircraft (subject to receipt of a Rating Agency Confirmation), including to provide for credit support for such Refinancing Notes and/or Additional Notes substantially similar to the Policy (which credit support may be provided by a Person other than the Policy Provider) and to incorporate mechanics for multiple "Policies" and, if applicable, multiple "Policy Providers", (e) in the case of any Related Document other than this Indenture, the Notes or the Security Trust Agreement, as provided in Section 5.02(a) or (f) to comply with the requirements of the Commission in connection with the qualification of this Indenture under the TIA. The Rating Agencies and any paying agent shall be given prior notice of any such modification, and such modification shall be notified to the Holders as soon as practicable thereafter and shall be binding on all the Holders.

Upon any such modification, the Issuer shall deliver to the Holders, the Trustee, the Policy Provider and the Initial Primary Liquidity Facility Provider a certificate of the Issuer certifying that such modification will not adversely affect the Holders, the Policy Provider or the Initial Primary Liquidity Facility Provider, except that the Issuer shall not be required to make such certification to any such Person if such Person's prior consent is required to make such modification.

In addition, the Issuer may, without providing the certificate mentioned in the preceding paragraph, and without the consent of the Trustee, any Holder or any provider of an Eligible Credit Facility, the Policy Provider, or the Initial Primary Liquidity Facility Provider or any other party, cause the Notes to be admitted to the Official List of the Irish Stock Exchange and to trading on its unregulated market.

Section 9.03 Subordination and Priority of Payments. The subordination provisions contained in Section 3.09, Section 3.10 and Article X may not be amended or modified without the consent of the Policy Provider (so long as any Class G Notes remain outstanding or any Policy Provider Obligations remain due and owing), each provider of an Eligible Credit Facility, each Holder of the subclass of Notes affected thereby and each Holder of any subclass of Notes ranking senior thereto. In no event shall the provisions set forth in Section 3.09 relating to the priority of the Expenses, Senior Hedge Payments and payments under all Eligible Credit Facilities be amended or modified.

Section 9.04 Execution of Amendments by Trustee. In executing, or accepting the additional trusts created by, any amendment or modification to this Indenture permitted by this Article or the

modifications thereby of the trusts created by this Indenture, the Trustee shall be entitled to receive, and shall be fully protected in relying upon, an Officer's Certificate and an Opinion of Counsel stating that the execution of such amendment is authorized or permitted by this Indenture. The Trustee may, but shall not be obligated to, enter into any such amendment which affects the Trustee's own rights, duties, immunities or indemnities under this Indenture or otherwise.

ARTICLE X

SUBORDINATION

Section 10.01 Subordination of the Securities and Other Subordinated Obligations. (a) (i) The Issuer, each Holder (by its acceptance of its Note) and each other Secured Party (by its acceptance of the benefits of the Security Trust Agreement) agree that the Securities and the other Obligations shall be subject to the provisions of this Article X and, in the case of the Secured Obligations, to the provisions of Article VII of the Security Trust Agreement and (ii) each Junior Claimant (and each Junior Representative of any thereof) agrees for the benefit of each Senior Claimant (and the Controlling Party and the Trustee acting therefor) that each Junior Claim shall be subordinated fully in right of payment to each Senior Claim as provided in Section 3.09, Section 3.10 (if applicable), this Article X and Article VII of the Security Trust Agreement.

(b) For the purposes of this Agreement, no Senior Claims shall be deemed to have been paid in full until and unless the

Senior Claimant (or the Trustee therefor) of such Senior Claims shall have received payment in full in cash of such Senior Claims.

(c) All payments or distributions upon or with respect to any Obligations that are received by any Junior Claimant (or any Junior Representative thereof) contrary to the provisions of this Indenture or in excess of the amounts to which such Junior Claimant is entitled under Section 3.09 shall be received for the benefit of the Senior Claimant, shall be segregated from other funds and property held by such Junior Claimant (or any Junior Representative thereof) and shall be forthwith paid over to the Trustee in the same form as so received (with any necessary endorsement) to be applied (in the case of cash) to or held as collateral (in the case of non-cash property or securities) for the payment or prepayment of the Senior Claims in accordance with the terms hereof.

(d) Notwithstanding anything contained herein to the contrary, payments (i) deposited in any Cash Collateral Account or drawn under any Eligible Credit Facility (as provided in Section 3.13 or Section 3.14), (ii) drawn under the Policy or (iii) deposited in the Defeasance/Redemption Account (or, in the case of a Refinancing, the Refinancing Account) in respect of a Redemption under Section 3.11 or in respect of the defeasance of Notes pursuant to Article XI shall not be subordinated to the prior payment of any Senior Claimants in respect of any Senior Claims or subject to any other restrictions set forth in this Article X and Article VII of the Security Trust Agreement, and none of the Holders shall be obligated to pay over any payments from any such property to the Security Trustee or any other creditor of any of the Grantors (as defined in the Security Trust Agreement).

(e) The Senior Representative is hereby authorized to demand specific performance of the provisions of this Article X at any time when any Junior Claimant (or any Junior Representative thereof) shall have failed to comply with any of such provisions applicable to them. The Junior Claimants (and each Junior Representative thereof) hereby irrevocably waive any defense based on the adequacy of a remedy at law that might be asserted as a bar to such remedy of specific performance.

Section 10.02 Rights of Subrogation. The Junior Claimants (and each Junior Representative thereof) agree that no payment or distributions to any Senior Claimant (or the Trustee therefor) pursuant

to the provisions of this Indenture shall entitle any Junior Claimant (or any Junior Representative thereof) to exercise any rights of subrogation in respect thereof until all Obligations constituting Senior Claims with respect to such Person shall have been paid in full.

Section 10.03 Further Assurances of Junior Representatives. Each of the Junior Representatives shall, at the expense of the Issuer, at any time and from time to time promptly execute and deliver all further instruments and documents, and take all further action, that the Controlling Party may reasonably request, in order to effectuate the provisions of this Article X.

Section 10.04 Enforcement. Each Junior Claimant (and the Junior Representative therefor) agrees that the provisions of this Article X shall be enforceable against it under all circumstances, including without limitation in any proceeding referred to in Sections 4.01(e) and 4.01(f).

Section 10.05 Continued Effectiveness. The provisions of this Article X shall continue to be effective or shall be revived or reinstated, as the case may be, if at any time any payment of any of the Senior Claims is rescinded or must otherwise be returned by any Senior Claimant upon the insolvency, bankruptcy or reorganization of any Issuer Group Member, or otherwise, all as though such payment had not been made.

Section 10.06 Senior Claims and Junior Claims Unimpaired. Nothing in this Article X shall impair, as between the Issuer and any Senior Claimant or any Junior Claimant, the obligations of the Issuer to such Person, including without limitation the Senior Claims and the Junior Claims; *provided* that it is understood that the enforcement of rights and remedies shall be subject to the terms of this Indenture and the Security Trust Agreement.

ARTICLE XI

DISCHARGE OF INDENTURE; DEFEASANCE

Section 11.01 Discharge of Liability on the Notes; Defeasance. (a) When (i) the Issuer delivers to the Trustee all Outstanding Notes (other than Notes that have been lost, stolen or destroyed and that have been replaced pursuant to Section 2.08) for cancellation or (ii) all Outstanding Notes have become due and payable, whether at maturity or as a result of the mailing of a notice of redemption pursuant to Section 3.11(c) and the Issuer irrevocably deposits in the Defeasance/Redemption Account funds sufficient to pay at maturity or upon redemption all Outstanding Notes, including interest thereon to maturity or the Redemption Date (other than Notes replaced pursuant to Section 2.08), and if in either case the Issuer pays all other sums payable hereunder by the Issuer, then this Indenture shall, subject to Section 11.01(c), cease to be of further effect. The Trustee shall acknowledge satisfaction and discharge of this Indenture on demand of the Issuer accompanied by an Officers' Certificate and an Opinion of Counsel, at the cost and expense of the Issuer, to the effect that any conditions precedent to a discharge of this Indenture have been met.

(b) Subject to Sections 11.01(c) and 11.02, the Issuer at any time may terminate (i) all its obligations under the Notes and this Indenture ("Legal Defeasance" option) or (ii) its obligations under Sections 4.01 (other than with respect to a failure to comply with Sections 4.01(a), 4.01(b), 4.01(c), 4.01(e) (only with respect to the Issuer), 4.01(f) (only with respect to the Issuer)), 5.02 and 5.03 ("Covenant Defeasance" option). The Issuer may exercise its Legal Defeasance option notwithstanding its prior exercise of its Covenant Defeasance option.

If the Issuer exercises its Legal Defeasance option, payment of any Notes subject to such Legal Defeasance may not be accelerated because of an Event of Default. If the Issuer exercises its Covenant

Defeasance option, payment of the Notes may not be accelerated because of an Event of Default (other than with respect to a failure to comply with Sections 4.01(a), 4.01(b), 4.01(c), 4.01(e) (other than with respect to the Issuer), 4.01(f) (other than with respect to the Issuer)) and 5.02(n).

Upon satisfaction of the conditions set forth herein and upon request of the Issuer, the Trustee shall acknowledge in writing the discharge of those obligations that the Issuer terminates.

(c) Notwithstanding clauses (a) and (b) above, the Issuer's obligations in Sections 2.01, 2.02, 2.03, 2.04, 2.05, 2.06, 2.07, 2.08, 2.09 and 5.02(n), Article VI, and Sections 8.01, 11.04, 11.05 and 11.06 shall survive until all the Notes have been paid in full. Thereafter, the Issuer's obligations in Sections 8.01, 11.04 and 11.05 shall survive.

Section 11.02 Conditions to Defeasance. The Issuer may exercise its Legal Defeasance option or its Covenant Defeasance option only if:

(a) the Issuer irrevocably deposits in trust in the Defeasance/Redemption Account any one or any combination of (i) money, (ii) obligations of, and supported by the full faith and credit of, the U.S. Government ("U.S. Government Obligations") or (iii) obligations of corporate issuers ("Corporate Obligations") (*provided* that any such Corporate Obligations are rated AA+, or the equivalent, or higher, by the Rating Agencies at such time and shall not have a maturity of longer than three years from the date of defeasance) for the payment of all principal or Redemption Price and interest (A) on the Notes or any class or subclass of Notes being defeased, in the case of Legal Defeasance, or (B) on all of the Notes in the case of Covenant Defeasance, in either case, to maturity or redemption, as the case may be;

(b) the Issuer delivers to the Trustee a certificate from a nationally recognized firm of independent accountants expressing their opinion that the payments of principal and interest when due and without reinvestment on the deposited U.S. Government Obligations or the Corporate Obligations plus any deposited money without investment will provide cash at such times and in such amounts as will be sufficient to pay principal and interest when due (i) on each class or subclass of Notes being defeased, in the case of Legal Defeasance, or (ii) on all of the Notes in the case of Covenant Defeasance, in either case, to maturity or redemption, as the case may be;

(c) 91 days pass after the deposit described in clause (a) above is made and during the 91-day period no Event of Default specified in Section 4.01(e) or (f) with respect to the Issuer occurs which is continuing at the end of the period;

(d) the deposit described in clause (a) above does not constitute a default under any other agreement binding on the Issuer;

(e) the Issuer delivers to the Trustee an Opinion of Counsel to the effect that the trust resulting from the deposit described in clause (a) does not constitute, or is qualified as, a regulated investment company under the Investment Company Act of 1940, as amended;

(f) in the case of the Legal Defeasance option, the Issuer shall have delivered to the Trustee an Opinion of Counsel stating that (i) the Issuer has received from, or there has been published by, the U.S. Internal Revenue Service a ruling, or (ii) since the date of this Indenture there has been a change in the applicable federal income tax law, in either case to the effect that, and based thereon such opinion of counsel shall confirm that the Holders will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Legal Defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(g) in the case of the Covenant Defeasance option, the Issuer shall have delivered to the Trustee an Opinion of Counsel to the effect that the Holders will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Covenant Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(h) if the related Notes are then listed on any securities exchange, the Issuer delivers to the Trustee an Opinion of Counsel to the effect that such deposit, defeasance and discharge will not cause such Notes to be delisted;

(i) a Rating Agency Confirmation and the prior written consent of each of the Policy Provider and the Initial Primary Liquidity Facility Provider is obtained relating to the defeasance contemplated by this Section 11.02;

(j) all amounts due and owing to the Policy Provider and the Initial Primary Liquidity Facility Provider have been paid (or provided for under Section 11.02(a)); and

(k) the Issuer delivers to the Trustee an Opinion of Counsel and an Officer's Certificate that all conditions precedent to such defeasance have been satisfied.

Section 11.03 Application of Trust Money. The Trustee shall hold in trust in the Defeasance/Redemption Account money, U.S. Government Obligations or Corporate Obligations deposited with it pursuant to this Article XI. It shall apply the deposited money and the money from U.S. Government Obligations or Corporate Obligations in accordance with this Indenture to the payment of principal,

premium, if any, and interest on the class or subclass of Notes.

Section 11.04 Repayment to Issuer. The Trustee shall promptly turn over to the Issuer upon written request any excess money or securities held by it at any time after application of the appropriate defeasance option.

Subject to any applicable abandoned property law, the Trustee shall pay to the Issuer upon written request any money held by it for the payment of principal or interest that remains unclaimed for two years and, thereafter, Holders entitled to the money must look to the Issuer for payment as general creditors.

Section 11.05 Indemnity for Government Obligations and Corporate Obligations. The Issuer shall pay and shall indemnify the Trustee against any tax, fee or other charge imposed on or assessed against deposited U.S. Government Obligations or Corporate Obligations, or the principal and interest received on such U.S. Government Obligations or Corporate Obligations.

Section 11.06 Reinstatement. If the Trustee is unable to apply any money or U.S. Government Obligations or Corporate Obligations in accordance with this Article XI by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application or otherwise, the Issuer's obligations under this Indenture and the Notes shall be revived and reinstated as though no deposit had occurred pursuant to this Article XI until such time as the Trustee is permitted to apply all such money, U.S. Government Obligations or Corporate Obligations in accordance with this Article XI; *provided*, *however*, that, if the Issuer has made any payment of interest on or principal of any Notes because of the reinstatement of its obligations, the Issuer shall be subrogated to the rights of the Holders of such Notes to receive such payment from the money, U.S. Government Obligations or Corporate Obligations held by the Trustee.

ARTICLE XII

MISCELLANEOUS

Section 12.01 Right of Trustee to Perform. If the Issuer for any reason fails to observe or punctually to perform any of its obligations to the Trustee, whether under this Indenture or any of the other Related Documents or otherwise, the Trustee shall have power (but shall have no obligation), on behalf of or in the name of the Issuer or otherwise, to perform such obligations and to take any steps which the Trustee may, in its absolute discretion, consider appropriate with a view to remedying, or mitigating the consequences of, such failure by the Issuer; *provided* that no exercise or failure to exercise this power by the Trustee shall in any way prejudice the Trustee's other rights under this Indenture or any of the other Related Documents.

Section 12.02 Waiver. Any waiver by any party of any provision of this Indenture or any right, remedy or option hereunder shall only prevent and estop such party from thereafter enforcing such provision, right, remedy or option if such waiver is given in writing and only as to the specific instance and for the specific purpose for which such waiver was given. The failure or refusal of any party hereto to insist in any one or more instances, or in a course of dealing, upon the strict performance of any of the terms or provisions of this Indenture by any party hereto or the partial exercise of any right, remedy or option hereunder shall not be construed as a waiver or relinquishment of any such term or provision, but the same shall continue in full force and effect. No failure on the part of the Trustee to exercise, and no delay on its part in exercising, any right or remedy under this Indenture will operate as a waiver thereof, nor will any single or partial exercise of any right or remedy preclude any other or further exercise thereof or the exercise of any other right or remedy. The rights and remedies provided in this Indenture are cumulative and not exclusive of any rights or remedies provided by law. The Trustee shall notify the Paying Agent promptly of any waiver by any party of any provision of this Indenture pursuant to this Section 12.02.

Section 12.03 Severability. In the event that any provision of this Indenture or the application thereof to any party hereto or to any circumstance or in any jurisdiction governing this Indenture shall, to any extent, be invalid or unenforceable under any applicable statute, regulation or rule of law, then such provision shall be deemed inoperative to the extent that it is invalid or unenforceable and the remainder of this Indenture, and the application of any such invalid or unenforceable provision to the parties, jurisdictions or circumstances other than to whom or to which it is held invalid or unenforceable, shall not be affected thereby nor shall the same affect the validity or enforceability of this Indenture. The parties hereto further agree that the holding by any court of competent jurisdiction that any remedy pursued by the Trustee hereunder is unavailable or unenforceable shall not affect in any way the ability of the Trustee to pursue any other remedy available to it.

Section 12.04 Restrictions on Exercise of Certain Rights; Limited Recourse. (a) Each of the parties hereto (other than the Trustee and, during the continuance of a payment Default with respect to the Senior Class, the Senior Trustee, in its capacity as trustee of such class) hereby agrees with the Trustee that, except as otherwise provided in Section 4.04, it shall not sue for recovery or take any other steps for the purpose of recovering any of the obligations hereunder or any other debts or liabilities whatsoever owing to it by the Issuer or any Issuer Subsidiary. Each of the parties hereto (other than the Trustee) hereby agrees with the Trustee that it shall not take any steps for the purpose of procuring the appointment of an administrative receiver, examiner, receiver or similar officer or the making of an administration order or for instituting any bankruptcy, reorganization, arrangement, insolvency, winding up, liquidation, composition, examination or any like proceedings under the laws of Jersey or any other jurisdiction in respect of either the Issuer or any Issuer Subsidiary or in respect of any of their respective liabilities.

(b) Each of the parties hereto hereby agrees that all amounts payable by the Issuer or any Issuer Subsidiary in respect of the obligations hereunder shall be recoverable only from and to the extent of:

(i) amounts on deposit in the Accounts;

(ii) any other assets of the Issuer and the Issuer Subsidiaries and any proceeds thereof; and

(iii) in the case of any payments by way of indemnity to be made by the Issuer pursuant to any Related Document, to any liability insurance proceeds payable in respect of such indemnity obligation on the part of the Issuer; *provided* that recourse by any such party shall be made first to the relevant insurance in relation thereto, and *provided further* that any such liability insurance proceeds shall be held in trust for the Person entitled to the relevant indemnity by the recipient thereof,

and in consequence the Trustee agrees (A) that it shall look solely to the foregoing property for payment of all amounts payable by the Issuer or any Issuer Subsidiary in respect of the obligations hereunder and that none of the Issuer nor any Issuer Subsidiary shall be otherwise personally liable therefor and (B) that it shall not petition for the bankruptcy, insolvency, winding up, liquidation, reorganization, amalgamation or dissolution of the Issuer or any Issuer Subsidiary; *provided* that if any such proceeding is commenced by any other Person, the Trustee shall be entitled to join, claim or prove in such proceeding; *provided*, *however*, that the foregoing provisions of this Section 12.04(b) shall not:

(1) limit or restrict in any way the accrual of interest on any unpaid amount (although the limitations as to the personal liability of the Issuer and each Issuer Subsidiary shall apply to such interest on such unpaid amount); or

(2) limit or restrict in any way the personal liability of the Issuer or any Issuer Subsidiary for the discharge or its nonmonetary obligations in relation to its covenants, undertakings, representations and warranties (or any monetary obligations arising from any breach thereof) under any Related Document.

Section 12.05 Notices. All notices, demands, certificates, requests, directions, instructions and communications hereunder ("Notices") shall be in writing and shall be effective (a) upon receipt when sent through the mails, registered or certified mail, return receipt requested, postage prepaid, with such receipt to be effective the date of delivery indicated on the return receipt, or (b) one Business Day after delivery to an overnight courier, or (c) on the date personally delivered to an authorized officer of the party to which sent, or (d) on the date transmitted by legible telecopier transmission with a confirmation of receipt, in all cases addressed to the recipient as follows:

if to the Issuer, to:

Aircraft Lease Securitisation Limited
22 Grenville Street
St. Helier
Jersey JE4 8PX
Channel Islands
Attention: Mourant & Co. Secretaries Limited
– Company Secretary
Fax: +44 1534 609 333

with a copy to:

AerCap Administrative Services Limited
AerCap House
Shannon, County Clare
Ireland
Attention: Company Secretary
Fax: +353 61 723850

if to Deutsche Bank Trust Company Americas, the Trustee, the Operating Bank, the Security Trustee, the Cash Manager, the Reference Agent, the Registrar or the Paying Agent, to:

Deutsche Bank Trust Company Americas
60 Wall Street
New York, New York 10005
Attention: Trust and Security Services/
Structured Finance Services
Fax: +1-212-553-2461

with a copy to:

Deutsche Bank International Limited
Global Transaction Banking
Trust & Securities Services

Floor 4
St. Paul's Gate
New Street
Jersey, Channel Islands
Attention: Mark Rumbold
Fax: +44 1534 889884

if to the Policy Provider, to:

MBIA Insurance Corporation
113 King Street
Armonk, New York 10504
Attention: Insured Portfolio Management,
Structured Finance
Fax: +1-914-765-3163

if to the Initial Primary Liquidity Facility Provider, to:

Calyon
9, quai du Président Paul Doumer
92920 Paris la Défense Cedex
France
Attention: Isaac Maria-Martin
Fax: +33 157 87 17 58

for so long as Deutsche Bank Trust Company Americas shall act as Depositary pursuant to the Deposit Agreement, if to any Holder of a Global Note, to:

Deutsche Bank Trust Company Americas
60 Wall Street
New York, New York 10005
Attention: Trust and Security Services/
Structured Finance Services
Fax: +1-212-553-2461

if to any Holder of a Definitive Note, to such Holder at its address set forth in the Register as of the applicable Record Date;

for so long as the Notes are admitted to the Official List of the Irish Stock Exchange and to trading on its unregulated market, if to the Listing Agent or the Irish Paying Agent, to:

in the case of the Listing Agent:

McCann FitzGerald Listing Services Limited
Riverside One
Sir John Rogerson's Quay
Dublin 2
Ireland
Attention: Tony Spratt
Fax: + 353 1 829 0010

and

in the case of the Irish Paying Agent:

Custom House Administration and Corporate Services Limited
25 Eden Quay
Dublin 1
Ireland
Attention: Evelyn Meenaghan
Fax: + 353 1 878 0827

A copy of each notice given hereunder to any party hereto shall also be given to each of the other parties hereto. Each party hereto may, by notice given in accordance herewith to each of the other parties hereto, designate any further or different address to which subsequent Notices shall be sent.

Section 12.06 Assignments; Third Party Beneficiary. This Indenture shall be a continuing obligation of the Issuer and shall (a) be binding upon the Issuer and its successors and assigns and (b) inure to the benefit of and be enforceable by the Trustee, and by its successors, transferees and assigns. The Issuer may not assign any of its obligations under this Indenture, or other than as provided in

Section 5.04 delegate any of its duties hereunder. Each Hedge Provider and each provider of an Eligible Credit Facility shall be a third party beneficiary of Sections 3.09, 9.01 and 9.03, as applicable.

Section 12.07 Currency Conversion. (a) If any amount is received or recovered by the Cash Manager or the Trustee in respect of this Indenture or any part thereof (whether as a result of the enforcement of the security created under the Security Trust Agreement or pursuant to this Indenture or

any judgment or order of any court or in the liquidation or dissolution of the Issuer or by way of damages for any breach of any obligation to make any payment under or in respect of the Issuer's obligations hereunder or any part thereof or otherwise) in a currency (the "Received Currency") other than the currency in which such amount was expressed to be payable (the "Agreed Currency"), then the amount in the Received Currency actually received or recovered by the Trustee or the Cash Manager shall, to the fullest extent permitted by Applicable Law, only constitute a discharge to the Issuer to the extent of the amount of the Agreed Currency which the Cash Manager or the Trustee was or would have been able in accordance with its normal procedures to purchase on the date of actual receipt or recovery (or, if that is not practicable, on the next date on which it is so practicable), and, if the amount of the Agreed Currency which the Cash Manager or Trustee is or would have been so able to purchase is less than the amount of the Agreed Currency which was originally payable by the Issuer, the Issuer shall pay to the Cash Manager such amount as the Cash Manager shall determine to be necessary to indemnify the Trustee and the Cash Manager against any loss sustained by it as a result (including the cost of making any such purchase and any premiums, commissions or other charges paid or Incurred in connection therewith) and so that such indemnity, to the fullest extent permitted by Applicable Law, (i) shall constitute a separate and independent obligation of the Issuer distinct from its obligation to discharge the amount which was originally payable by the Issuer and (ii) shall give rise to a separate and independent cause of action and apply irrespective of any indulgence granted by the Cash Manager or the Trustee and continue in full force and effect notwithstanding any judgment, order, claim or proof for a liquidated amount in respect of the amount originally payable by the Issuer or any judgment or order and no proof or evidence of any actual loss shall be required.

(b) For the purpose of or pending the discharge of any of the moneys and liabilities hereby secured the Cash Manager may, or cause the Operating Bank to, convert any moneys received, recovered or realized by the Cash Manager under this Indenture (including the proceeds of any previous conversion under this Section 12.07) or any funds currently maintained in any account hereunder from their existing currency of denomination into the currency of denomination (if different) of such moneys and liabilities and any conversion from one currency to another for the purposes of any of the foregoing shall be made at the Trustee's then prevailing spot selling rate at its office by which such conversion is made. If not otherwise required to be applied in the Received Currency, the Cash Manager, acting on behalf of the Security Trustee, shall promptly convert any moneys in such Received Currency other than U.S. dollars into U.S. dollars. Each previous reference in this Section 12.07 to a currency extends to funds of that currency and funds of one currency may be converted into different funds of the same currency. The cost and expense of any such conversion shall be added to and reflected in the rate obtained for conversion and in no event shall the Cash Manager or any of its affiliates be liable in respect of the exchange rate obtained for any such conversion or any related cost or expense.

Section 12.08 Application to Court. The Senior Trustee may at any time after the service of a Default Notice apply to any court of competent jurisdiction for an order that the terms of this Indenture be carried into execution under the direction of such court and for the appointment of a Receiver of the Collateral or any part thereof and for any other order in relation to the administration of this Indenture as the Senior Trustee shall deem fit and it may assent to or approve any application to any court of competent jurisdiction made at the instigation of any of the Holders or the Policy Provider and shall be indemnified by the Issuer against all costs, charges and expenses Incurred by it in relation to any such application or proceedings.

Section 12.09 Governing Law. THIS INDENTURE SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

Section 12.10 Jurisdiction. (a) Each of the parties hereto agrees that the United States federal and New York state courts located in the borough of Manhattan in the city of New York shall have jurisdiction to hear and determine any suit, action or proceeding, and to settle any disputes, which may arise out of or in connection with this Indenture and, for such purposes, submits to the jurisdiction of such courts. Each of the parties hereto waives any objection which it might now or hereafter have to the United States federal or New York state courts located in the city of New York being nominated as the forum to hear and determine any suit, action or proceeding, and to settle any disputes, which may arise out of or in connection with this Indenture and agrees not to claim that any such court is not a convenient or appropriate forum. Each of the parties hereto (except for the Cash Manager, Operating Bank, Trustee and Policy Provider) agrees that the process by which any suit, action or proceeding is begun may be served on it by being delivered in connection with any suit, action or proceeding in the city of New York to Corporation Service Company, with an office on the date hereof at 1133 Avenue of the Americas, Suite 3100, New York, New York 10036, and each of the parties hereby appoints Corporation Service Company its designee, appointee and agent to receive, accept and acknowledge for and on its behalf such service of legal process, with the exception of the Trustee, who hereby consents to receive any such service of process directly at the address set forth in Section 12.05 herein.

(b) The submission to the jurisdiction of the courts referred to in Section 12.10(a) shall not (and shall not be construed so as to) limit the right of the Trustee to take proceedings against the Issuer in any other court of competent jurisdiction nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdiction, whether concurrently or not.

(c) Each of the parties hereto hereby consents generally in respect of any legal action or proceeding arising out of or in

connection with this Indenture to the giving of any relief or the issue of any process in connection with such action or proceeding, including the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment which may be made or given in such action or proceeding.

Section 12.11 Counterparts. This Indenture may be executed in two or more counterparts by the parties hereto, and each such counterpart shall be considered an original and all such counterparts shall constitute one and the same instrument.

Section 12.12 Table of Contents, Headings, Etc. The Table of Contents and headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not to be considered a part hereof and shall in no way modify or restrict any of the terms and provisions hereof.

Section 12.13 Compliance with Applicable Anti-Terrorism and Anti-Money Laundering Regulations. In order to comply with laws, rules, regulations and executive orders in effect from time to time applicable to banking institutions, including those relating to the funding of terrorist activities and money laundering ("Applicable Regulations"), the Trustee is required to obtain, verify and record certain information relating to individuals and entities which maintain a business relationship with it. Accordingly, each of the parties agrees to provide to the Trustee upon its request from time to time such identifying information and documentation as may be available for such party in order to enable the Trustee to comply with Applicable Regulations.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed, all as of the date first written above.

AIRCRAFT LEASE SECURITISATION LIMITED, as the Issuer

By _____
Name:
Title:

DEUTSCHE BANK TRUST COMPANY AMERICAS, as the Cash Manager, Operating Bank and Trustee

By _____
Name:
Title:

By _____
Name:
Title:

CALYON,
as the Initial Primary Liquidity Facility Provider

By _____
Name:
Title:

By _____
Name:
Title:

MBIA INSURANCE CORPORATION,
as the Policy Provider

By _____

SCHEDULE 1A

INITIAL AIRCRAFT

MSN	Type of Aircraft	Aircraft Owner
016	Airbus A340-300	ALS Irish Aircraft Leasing MSN 16 Limited
030	Airbus A330-300	ALS Irish Aircraft Leasing MSN 30 Limited
037	Airbus A330-300	ALS Irish Aircraft Leasing MSN 37 Limited
045	Airbus A330-300	ALS Irish Aircraft Leasing MSN 45 Limited
215	Airbus A320-200	ALS Irish Aircraft Leasing MSN 215 Limited
226	Airbus A330-200	ALS Irish Aircraft Leasing MSN 226 Limited
244	Airbus A320-200	ALS Irish Aircraft Leasing MSN 244 Limited
258	Airbus A330-200	ALS Irish Aircraft Leasing MSN 258 Limited
270	Airbus A320-200	ALS Irish Aircraft Leasing MSN 270 Limited
326	Airbus A320-200	ALS Irish Aircraft Leasing MSN 326 Limited
344	Airbus A320-200	ALS Irish Aircraft Leasing MSN 344 Limited
361	Airbus A320-200	Aircraft MSN 361 Trust
376	Airbus A320-200	ALS Irish Aircraft Leasing MSN 376 Limited
386	Airbus A320-200	ALS Irish Aircraft Leasing MSN 386 Limited
400	Airbus A320-200	ALS Irish Aircraft Leasing MSN 400 Limited
478	Airbus A320-200	ALS Irish Aircraft Leasing MSN 478 Limited
628	Airbus A320-200	ALS Irish Aircraft Leasing MSN 628 Limited
755	Airbus A300C4-600R	ALS Irish Aircraft Leasing MSN 755 Limited
758	Airbus A300C4-600R	ALS Irish Aircraft Leasing MSN 758 Limited
839	Airbus A320-200	ALS Irish Aircraft Leasing MSN 839 Limited
892	Airbus A320-200	ALS Irish Aircraft Leasing MSN 892 Limited
963	Airbus A321-100	ALS Irish Aircraft Leasing MSN 963 Limited
1008	Airbus A321-100	ALS Irish Aircraft Leasing MSN 1008 Limited
1042	Airbus A321-100	ALS Irish Aircraft Leasing MSN 1042 Limited
1153	Airbus A321-200	ALS Irish Aircraft Leasing MSN 1153 Limited
1204	Airbus A321-100	Aircraft MSN 1204 Trust
1227	Airbus A321-100	Aircraft MSN 1227 Trust
1635	Airbus A320-200	ALS Irish Aircraft Leasing MSN 1635 Limited
1636	Airbus A321-200	ALS Irish Aircraft Leasing MSN 1636 Limited
1668	Airbus A319-100	ALS Irish Aircraft Leasing MSN 1668 Limited
1690	Airbus A321-200	ALS Irish Aircraft Leasing MSN 1690 Limited
1718	Airbus A319-100	ALS Irish Aircraft Leasing MSN 1718 Limited
1726	Airbus A321-200	ALS Irish Aircraft Leasing MSN 1726 Limited
1748	Airbus A321-200	ALS Irish Aircraft Leasing MSN 1748 Limited
24826	Boeing 737-500	ALS Irish Aircraft Leasing MSN 24826 Limited
24827	Boeing 737-500	ALS Irish Aircraft Leasing MSN 24827 Limited
25039	Boeing 737-300	Aircraft MSN 25039 Trust
27306	Boeing 737-400	ALS Irish Aircraft Leasing MSN 27306 Limited
27383	Boeing 737-400	ALS Irish Aircraft Leasing MSN 27383 Limited
28701	Boeing 737-400	ALS Dutch Aircraft Leasing MSN 28701 B.V.
28703	Boeing 737-400	ALS Dutch Aircraft Leasing MSN 28703 B.V.
28704	Boeing 737-400	ALS Dutch Aircraft Leasing MSN 28704 B.V.

SCHEDULE 1B

NEW AIRCRAFT

MSN	Type of Aircraft	Aircraft Owner
1459	Airbus A320-200	Eden Irish Aircraft Leasing MSN 1459 Limited
1612	Airbus A319-100	Aircraft MSN 1612 Trust
2747	Airbus A320-200	Chameli Aircraft Leasing Limited
2753	Airbus A320-200	Fifi Aircraft Leasing Limited
2981	Airbus A319-100	Eden Irish Aircraft Leasing MSN 2981 Limited
3049	Airbus A319-100	Eden Irish Aircraft Leasing MSN 3049 Limited
25113	Boeing 737-400	Aircraft MSN 25113 Trust
25114	Boeing 737-400	Aircraft MSN 25114 Trust

27135	Boeing 767-300ER	Eden Irish Aircraft Leasing MSN 27135 Limited
28222	Boeing 737-700	Eden Irish Aircraft Leasing MSN 28222 Limited
28230	Boeing 737-800	Eden Irish Aircraft Leasing MSN 28230 Limited
28232	Boeing 737-800	Eden Irish Aircraft Leasing MSN 28232 Limited
28825	Boeing 737-800	Eden Irish Aircraft Leasing MSN 28825 Limited
30757	Boeing 757-200	Eden Irish Aircraft Leasing MSN 30757 Limited
30758	Boeing 757-200	Eden Irish Aircraft Leasing MSN 30758 Limited
30876	Boeing 737-800	Eden Irish Aircraft Leasing MSN 30876 Limited

SCHEDULE 2

ISSUER SUBSIDIARIES

Entity	Jurisdiction of Incorporation
Aircraft MSN 1204 Trust	Utah, United States
Aircraft MSN 1227 Trust	Utah, United States
Aircraft MSN 1612 Trust	Utah, United States
Aircraft MSN 25039 Trust	Utah, United States
Aircraft MSN 25113 Trust	Utah, United States
Aircraft MSN 25114 Trust	Utah, United States
Aircraft MSN 361 Trust	Utah, United States
ALS Bermuda Leasing Limited	Bermuda
ALS Dutch Aircraft Leasing B.V.	The Netherlands
ALS Dutch Aircraft Leasing MSN 28701 B.V.	The Netherlands
ALS Dutch Aircraft Leasing MSN 28703 B.V.	The Netherlands
ALS Dutch Aircraft Leasing MSN 28704 B.V.	The Netherlands
ALS Dutch Caribbean Aircraft Leasing N.V.	Aruba
ALS Irish Aircraft Leasing MSN 1008 Limited	Ireland
ALS Irish Aircraft Leasing MSN 1042 Limited	Ireland
ALS Irish Aircraft Leasing MSN 1153 Limited	Ireland
ALS Irish Aircraft Leasing MSN 1204 Limited	Ireland
ALS Irish Aircraft Leasing MSN 1227 Limited	Ireland
ALS Irish Aircraft Leasing MSN 16 Limited	Ireland
ALS Irish Aircraft Leasing MSN 1635 Limited	Ireland
ALS Irish Aircraft Leasing MSN 1636 Limited	Ireland
ALS Irish Aircraft Leasing MSN 1668 Limited	Ireland
ALS Irish Aircraft Leasing MSN 1690 Limited	Ireland
ALS Irish Aircraft Leasing MSN 1718 Limited	Ireland
ALS Irish Aircraft Leasing MSN 1726 Limited	Ireland
ALS Irish Aircraft Leasing MSN 1748 Limited	Ireland
ALS Irish Aircraft Leasing MSN 215 Limited	Ireland
ALS Irish Aircraft Leasing MSN 226 Limited	Ireland
ALS Irish Aircraft Leasing MSN 244 Limited	Ireland
ALS Irish Aircraft Leasing MSN 24826 Limited	Ireland
ALS Irish Aircraft Leasing MSN 24827 Limited	Ireland
ALS Irish Aircraft Leasing MSN 25039 Limited	Ireland
ALS Irish Aircraft Leasing MSN 258 Limited	Ireland
ALS Irish Aircraft Leasing MSN 270 Limited	Ireland
ALS Irish Aircraft Leasing MSN 27306 Limited	Ireland
ALS Irish Aircraft Leasing MSN 27383 Limited	Ireland
ALS Irish Aircraft Leasing MSN 30 Limited	Ireland
ALS Irish Aircraft Leasing MSN 326 Limited	Ireland
ALS Irish Aircraft Leasing MSN 344 Limited	Ireland
ALS Irish Aircraft Leasing MSN 361 Limited	Ireland
ALS Irish Aircraft Leasing MSN 37 Limited	Ireland
ALS Irish Aircraft Leasing MSN 376 Limited	Ireland
ALS Irish Aircraft Leasing MSN 386 Limited	Ireland
ALS Irish Aircraft Leasing MSN 400 Limited	Ireland
ALS Irish Aircraft Leasing MSN 45 Limited	Ireland
ALS Irish Aircraft Leasing MSN 478 Limited	Ireland

Entity	Jurisdiction of Incorporation
ALS Irish Aircraft Leasing MSN 628 Limited	Ireland

ALS Irish Aircraft Leasing MSN 755 Limited	Ireland
ALS Irish Aircraft Leasing MSN 758 Limited	Ireland
ALS Irish Aircraft Leasing MSN 839 Limited	Ireland
ALS Irish Aircraft Leasing MSN 892 Limited	Ireland
ALS Irish Aircraft Leasing MSN 963 Limited	Ireland
ALS Malaysia Leasing Limited	Labuan, Malaysia
ALS USA Leasing Inc.	Delaware, United States
Eden Aircraft Holding No. 1 Limited	Ireland
Eden Irish Aircraft Leasing MSN 1459 Limited	Ireland
Eden Irish Aircraft Leasing MSN 1612 Limited	Ireland
Eden Irish Aircraft Leasing MSN 25113 Limited	Ireland
Eden Irish Aircraft Leasing MSN 25114 Limited	Ireland
Eden Irish Aircraft Leasing MSN 27135 Limited	Ireland
Chameli Aircraft Leasing Limited	Ireland
Fifi Aircraft Leasing Limited	Ireland
Eden Irish Aircraft Leasing MSN 28222 Limited	Ireland
Eden Irish Aircraft Leasing MSN 28230 Limited	Ireland
Eden Irish Aircraft Leasing MSN 28232 Limited	Ireland
Eden Irish Aircraft Leasing MSN 28825 Limited	Ireland
Eden Irish Aircraft Leasing MSN 2981 Limited	Ireland
Eden Irish Aircraft Leasing MSN 3049 Limited	Ireland
Eden Irish Aircraft Leasing MSN 30757 Limited	Ireland
Eden Irish Aircraft Leasing MSN 30758 Limited	Ireland
Eden Irish Aircraft Leasing MSN 30876 Limited	Ireland
Marco Aircraft Leasing Limited	Ireland

SCHEDULE 3

EXPECTED TARGET PRINCIPAL BALANCE

Payment Date Occurring in	Expected Target Principal Balance $
Closing	1,660,000,000
Jun-2007	1,656,938,370
Jul-2007	1,653,857,083
Aug-2007	1,650,756,072
Sep-2007	1,647,635,269
Oct-2007	1,644,494,605
Nov-2007	1,641,334,012
Dec-2007	1,638,153,421
Jan-2008	1,634,952,763
Feb-2008	1,631,731,968
Mar-2008	1,628,490,968
Apr-2008	1,625,229,693
May-2008	1,621,948,072
Jun-2008	1,618,646,037
Jul-2008	1,615,323,517
Aug-2008	1,611,980,441
Sep-2008	1,608,616,739
Oct-2008	1,605,232,341
Nov-2008	1,601,827,174
Dec-2008	1,598,401,169
Jan-2009	1,594,954,253
Feb-2009	1,591,486,354
Mar-2009	1,587,997,402
Apr-2009	1,584,487,325
May-2009	1,580,956,049
Jun-2009	1,575,808,966
Jul-2009	1,570,631,856
Aug-2009	1,565,424,662
Sep-2009	1,560,187,326
Oct-2009	1,554,919,795
Nov-2009	1,549,622,014
Dec-2009	1,544,293,930
Jan-2010	1,538,935,494
Feb-2010	1,533,546,655
Mar-2010	1,528,127,366
Apr-2010	1,522,677,580

May-2010	1,517,197,252
Jun-2010	1,511,686,338
Jul-2010	1,506,144,797
Aug-2010	1,500,572,589
Sep-2010	1,494,969,675
Oct-2010	1,489,336,018
Nov-2010	1,483,671,584
Dec-2010	1,477,976,340
Jan-2011	1,472,250,254
Feb-2011	1,466,493,297
Mar-2011	1,460,705,441
Apr-2011	1,454,886,661
May-2011	1,449,036,934
Jun-2011	1,443,156,239
Jul-2011	1,437,244,556
Aug-2011	1,431,301,868
Sep-2011	1,425,328,161
Oct-2011	1,419,323,422
Nov-2011	1,413,287,640
Dec-2011	1,407,220,809
Jan-2012	1,401,122,922
Feb-2012	1,394,993,977
Mar-2012	1,388,833,974
Apr-2012	1,382,642,914
May-2012	1,376,420,802
Jun-2012	1,370,167,646
Jul-2012	1,363,883,457
Aug-2012	1,357,568,247
Sep-2012	1,351,222,032
Oct-2012	1,344,844,831
Nov-2012	1,338,436,666
Dec-2012	1,331,997,562
Jan-2013	1,325,527,547
Feb-2013	1,319,026,653
Mar-2013	1,312,494,913
Apr-2013	1,305,932,365
May-2013	1,299,339,051
Jun-2013	1,292,715,015
Jul-2013	1,286,060,305
Aug-2013	1,279,374,973
Sep-2013	1,272,659,074
Oct-2013	1,265,912,667
Nov-2013	1,259,135,815
Dec-2013	1,252,328,586
Jan-2014	1,245,491,048
Feb-2014	1,238,623,278
Mar-2014	1,231,725,354
Apr-2014	1,224,797,359
May-2014	1,217,839,381
Jun-2014	1,201,774,196
Jul-2014	1,195,042,034
Aug-2014	1,188,280,402
Sep-2014	1,181,489,387
Oct-2014	1,174,669,081
Nov-2014	1,167,819,578
Dec-2014	1,160,940,981
Jan-2015	1,154,033,393
Feb-2015	1,147,096,925
Mar-2015	1,140,131,690
Apr-2015	1,133,137,809

Payment Date Occurring in	Expected Target Principal Balance $
May-2015	1,126,115,406
Jun-2015	1,119,064,609
Jul-2015	1,111,985,553
Aug-2015	1,104,878,379
Sep-2015	1,097,743,231

Oct-2015	1,090,580,259
Nov-2015	1,083,389,620
Dec-2015	1,076,171,476
Jan-2016	1,068,925,994
Feb-2016	1,061,653,348
Mar-2016	1,051,527,197
Apr-2016	1,044,271,418
May-2016	1,028,828,240
Jun-2016	1,010,951,803
Jul-2016	1,003,913,414
Aug-2016	996,849,267
Sep-2016	989,759,553
Oct-2016	977,334,761
Nov-2016	970,269,546
Dec-2016	955,459,758
Jan-2017	948,484,327
Feb-2017	941,484,485
Mar-2017	931,612,352
Apr-2017	924,636,737
May-2017	912,186,199
Jun-2017	905,241,740
Jul-2017	892,543,433
Aug-2017	885,635,667
Sep-2017	878,705,163
Oct-2017	866,778,516
Nov-2017	854,913,781
Dec-2017	842,544,850
Jan-2018	835,752,493
Feb-2018	822,920,302
Mar-2018	816,174,510
Apr-2018	809,407,917
May-2018	795,300,440
Jun-2018	788,643,003
Jul-2018	771,664,762
Aug-2018	765,179,456
Sep-2018	758,674,440
Oct-2018	752,149,980
Nov-2018	734,988,966
Dec-2018	717,814,204
Jan-2019	711,679,522
Feb-2019	694,311,945
Mar-2019	688,374,959
Apr-2019	682,419,365
May-2019	671,209,298
Jun-2019	665,298,906
Jul-2019	659,370,631
Aug-2019	653,424,732
Sep-2019	647,461,473
Oct-2019	636,613,206
Nov-2019	628,329,971
Dec-2019	622,512,843
Jan-2020	614,247,754
Feb-2020	608,463,537
Mar-2020	602,662,932
Apr-2020	596,846,220
May-2020	591,013,688
Jun-2020	585,165,630
Jul-2020	579,302,349
Aug-2020	573,424,156
Sep-2020	567,531,370
Oct-2020	561,624,318
Nov-2020	555,703,335
Dec-2020	549,768,765
Jan-2021	543,820,961
Feb-2021	537,860,285
Mar-2021	531,887,106
Apr-2021	525,901,806
May-2021	519,904,771
Jun-2021	513,896,403
Jul-2021	507,877,107
Aug-2021	501,847,304
Sep-2021	495,807,419
Oct-2021	489,757,893

Nov-2021	483,699,173
Dec-2021	477,631,718
Jan-2022	466,689,067
Feb-2022	460,694,925
Mar-2022	454,693,290
Apr-2022	448,684,650
May-2022	442,669,506
Jun-2022	436,648,372
Jul-2022	430,621,772
Aug-2022	424,590,242
Sep-2022	418,554,329
Oct-2022	412,514,594
Nov-2022	406,471,611
Dec-2022	396,191,952
Jan-2023	388,173,423
Feb-2023	382,319,625
Mar-2023	376,463,612
Apr-2023	364,960,987
May-2023	359,218,405
Jun-2023	349,121,417
Jul-2023	343,468,965
Aug-2023	337,816,622
Sep-2023	324,256,802
Oct-2023	314,524,641
Nov-2023	309,182,135
Dec-2023	303,840,484
Jan-2024	298,500,295
Feb-2024	288,422,731
Mar-2024	270,617,627
Apr-2024	262,262,821

Payment Date Occurring in	Expected Target Principal Balance $
May-2024	252,721,985
Jun-2024	248,020,381
Jul-2024	238,811,500
Aug-2024	234,221,932
Sep-2024	229,634,698
Oct-2024	225,050,359
Nov-2024	220,469,491
Dec-2024	215,892,683
Jan-2025	207,189,087
Feb-2025	202,729,172
Mar-2025	193,855,225
Apr-2025	185,346,243
May-2025	176,864,495
Jun-2025	164,853,453
Jul-2025	161,031,983
Aug-2025	157,214,321
Sep-2025	153,400,982
Oct-2025	149,592,496
Nov-2025	145,789,401
Dec-2025	141,992,247
Jan-2026	138,201,597
Feb-2026	134,418,022
Mar-2026	126,984,537
Apr-2026	119,889,254
May-2026	116,365,202
Jun-2026	112,848,940
Jul-2026	109,341,039
Aug-2026	105,842,084
Sep-2026	102,352,672
Oct-2026	98,873,409
Nov-2026	90,440,316
Dec-2026	84,129,590
Jan-2027	81,004,824
Feb-2027	77,890,092
Mar-2027	71,843,843

Apr-2027	64,098,091
May-2027	56,504,122
Jun-2027	51,363,218
Jul-2027	49,016,688
Aug-2027	44,575,606
Sep-2027	42,356,638
Oct-2027	40,144,458
Nov-2027	37,939,477
Dec-2027	33,999,611
Jan-2028	31,923,457
Feb-2028	29,854,645
Mar-2028	27,793,582
Apr-2028	25,740,682
May-2028	23,696,367
Jun-2028	21,661,069
Jul-2028	19,635,227
Aug-2028	17,619,289
Sep-2028	15,613,713
Oct-2028	13,618,963
Nov-2028	11,635,517
Dec-2028	9,663,857
Jan-2029	7,704,479
Feb-2029	5,757,886
Mar-2029	3,824,591
Apr-2029	1,829,441
May-2029	0

SCHEDULE 4

[RESERVED]

SCHEDULE 5

[RESERVED]

SCHEDULE 6

[RESERVED]

SCHEDULE 7

CURRENT LEASES - CURRENT WAR RISK COVERAGE AMOUNTS

Aircraft MSN	War Risk Coverage Amount – US$
1008	750,000,000
1042	650,000,000
1153	750,000,000
1204	1,000,000,000
1227	1,000,000,000
016	1,000,000,000
1635	600,000,000
1636	1,000,000,000
1668	500,000,000

1690	750,000,000
1718	750,000,000
1726	750,000,000
1748	750,000,000
215	600,000,000
226	1,000,000,000
244	600,000,000
24826	600,000,000
24827	600,000,000
25039	750,000,000
258	1,000,000,000
270	600,000,000
27306	750,000,000
27383	750,000,000
28701	1,000,000,000
28703	1,000,000,000
28704	1,000,000,000
030	1,000,000,000
326	500,000,000
344	500,000,000
361	600,000,000
037	1,000,000,000
376	500,000,000
386	500,000,000
400	600,000,000
045	1,000,000,000
478	500,000,000
628	750,000,000
755	750,000,000
758	750,000,000
839	600,000,000
892	600,000,000
963	600,000,000
2981	600,000,000
3049	600,000,000
3171*	Not yet delivered
3136*	Not yet delivered

2828	600,000,000
2747	500,000,000
2753	500,000,000
1459	600,000,000
1834	600,000,000
1794	750,000,000
25113	500,000,000
25114	500,000,000
28222	500,000,000
28825	600,000,000
30876	750,000,000
34969*	Not yet delivered
34970*	Not yet delivered
28230	600,000,000
28232	600,000,000
30757	750,000,000
30758	750,000,000
27135	750,000,000
1900	600,000,000
204	600,000,000
1711	750,000,000
0802	1,000,000,000
211	600,000,000
1612	500,000,000

SCHEDULE 8

POOL FACTORS

The following are the Pool Factors as of the Closing Date. Such Pool Factors may be changed by a resolution of the Board in connection with a Refinancing or the acquisition of Additional Aircraft.

Payment Date Occurring in	Class G-3
Closing	100.000000
Jun-2007	99.426330
Jul-2007	98.665590
Aug-2007	98.000340
Sep-2007	97.423360
Oct-2007	96.652110
Nov-2007	95.928440
Dec-2007	95.280470
Jan-2008	94.487940
Feb-2008	93.766120
Mar-2008	93.113550
Apr-2008	92.342390
May-2008	91.658730
Jun-2008	91.087640
Jul-2008	90.321460
Aug-2008	89.560240
Sep-2008	88.862750
Oct-2008	88.059440
Nov-2008	87.358170
Dec-2008	86.720300
Jan-2009	85.994230
Feb-2009	85.322010
Mar-2009	84.618050
Apr-2009	83.959730
May-2009	83.248520
Jun-2009	82.546940
Jul-2009	81.771450
Aug-2009	81.029820
Sep-2009	80.300310
Oct-2009	79.575980
Nov-2009	78.856230
Dec-2009	78.088720
Jan-2010	77.304800
Feb-2010	76.516400
Mar-2010	75.686470
Apr-2010	74.902700
May-2010	74.098500
Jun-2010	73.360400
Jul-2010	72.635450
Aug-2010	71.891000
Sep-2010	71.096970
Oct-2010	70.263250
Nov-2010	69.436920
Dec-2010	68.595100
Jan-2011	67.832860
Feb-2011	67.066790
Mar-2011	66.295570
Apr-2011	65.417900
May-2011	64.573700
Jun-2011	63.751780
Jul-2011	62.911860
Aug-2011	62.053350
Sep-2011	61.178850
Oct-2011	60.271050
Nov-2011	59.356620
Dec-2011	58.435640
Jan-2012	57.519700
Feb-2012	56.610630
Mar-2012	55.690160
Apr-2012	54.826060
May-2012	54.008380
Jun-2012	53.173730
Jul-2012	52.273410
Aug-2012	51.352350
Sep-2012	50.419290

Oct-2012	49.474340
Nov-2012	48.520850
Dec-2012	47.558070
Jan-2013	46.568280
Feb-2013	45.622080
Mar-2013	44.667840
Apr-2013	43.760190
May-2013	42.820260
Jun-2013	41.941650
Jul-2013	41.066120
Aug-2013	40.187040
Sep-2013	39.250600
Oct-2013	38.218450
Nov-2013	37.163440
Dec-2013	36.156990
Jan-2014	35.180670
Feb-2014	34.211800
Mar-2014	33.163880
Apr-2014	32.151950
May-2014	31.153260
Jun-2014	30.161180
Jul-2014	29.134570
Aug-2014	28.095410
Sep-2014	26.997440
Oct-2014	25.893430
Nov-2014	24.812110
Dec-2014	23.748400

Payment Date Occurring in	Class G-3
Jan-2015	22.687730
Feb-2015	21.589640
Mar-2015	20.451170
Apr-2015	19.320370
May-2015	18.180660
Jun-2015	17.051730
Jul-2015	15.938440
Aug-2015	14.871110
Sep-2015	13.807880
Oct-2015	12.719310
Nov-2015	11.581250
Dec-2015	10.397070
Jan-2016	9.196800
Feb-2016	7.990470
Mar-2016	6.641940
Apr-2016	5.533500
May-2016	3.755400
Jun-2016	1.676800
Jul-2016	0.561720
Aug-2016	0.000000

EXHIBIT A-1

FORM OF NOTE FOR ANY SUBCLASS OF CLASS G NOTES THAT ARE FLOATING RATE NOTES

EXHIBIT A-2

FORM OF NOTE FOR ANY SUBCLASS OF CLASS G NOTES

Exhibit 10.17

FOIA CONFIDENTIAL TREATMENT HAS BEEN REQUESTED WITH RESPECT TO CERTAIN INFORMATION IN THIS AGREEMENT. THIS INFORMATION HAS BEEN REDACTED AND DENOTED BY ASTERISKS [***].

Amendment No. 1

To the AIRBUS A330

PURCHASE AGREEMENT

between

AIRBUS S.A.S.

and

AERCAP IRELAND LIMITED

This Amendment No. **1** (hereinafter referred to as the "**Amendment**") is entered into on May 11, 2007, between AIRBUS S.A.S., a société par actions simplifiée, created and existing under French law having its registered office at 1 Rond-Point Maurice Bellonte, 31707 Blagnac-Cedex, France and registered with the Toulouse Registre du Commerce under number RCS Toulouse 383 474 814 (hereinafter referred to as the "**Seller**"), and AerCap Ireland Limited, a corporation organized and existing under the laws of Ireland and having its principal place of business located at AerCap House, Shannon, Co Clare, Ireland (the "**Buyer**").

WITNESSETH

WHEREAS, the Buyer and the Seller entered into the AIRBUS A330 Purchase Agreement dated as of December 11, 2006 together with all attached Exhibits, Appendices [***], such contractual documents being hereinafter collectively referred to as (the "**2006 Agreement**").

WHEREAS, the Buyer wishes to firmly purchase and the Seller wishes to firmly sell ten (10) A330 model aircraft incremental to the Aircraft initially ordered under the 2006 Agreement (the "**Incremental Aircraft**").

NOW THEREFORE IT IS AGREED AS FOLLOWS:

1. **Incremental Aircraft**

1.1 **Incremental Aircraft Sale and Purchase**

The Seller hereby agrees to firmly sell ten (10) Incremental Aircraft to the Buyer under the terms and conditions set forth hereafter.

1.2 **Incremental Aircraft Model**

Such Incremental Aircraft are ordered as A330-200 Aircraft model [***].

1.3 **Incremental Aircraft Purchase Price**

The parties hereto agree that the Incremental Aircraft shall be subject to the same terms and conditions as the Aircraft under the 2006 Agreement, [***].

1.3.1 **Incremental Aircraft [***] Credit Memorandum**

In consideration of the Buyer ordering and taking delivery of the Incremental Aircraft, the Seller shall provide to the Buyer upon Delivery of each Incremental Aircraft an [***] credit memorandum (the "**[***] Credit Memorandum**") in an amount of US$ [***] (US Dollars – [***]) per Incremental Aircraft.

The [***] Credit Memorandum may be applied against the Final Price of the relevant Incremental Aircraft, or may be used for the purchase by the Buyer of the Seller's and/or its subsidiaries' goods and services, at the Buyer's election.

Such [***] Credit Memorandum is expressed in January 2006 delivery conditions, and is subject to revision to the month of Delivery of the Incremental Aircraft in accordance with the Airframe Price Revision Formula [***].

1.3.2 **A330-300 Conversion [***]**

Should the Buyer firmly convert Aircraft or Incremental Aircraft [***], the Seller shall grant the Buyer an A330-300 conversion [***] (the "**Conversion [***]**") in an amount of US$ [***] (US Dollars – [***]) per A330-300 Aircraft so converted.

Such Conversion [***] shall be available to the Buyer upon delivery of, and to reduce the Final Price of each A330-300 Aircraft so converted.

Such Conversion [***] is expressed in January 2006 delivery conditions, and is subject to revision to the month of Delivery of the A330-300 Aircraft in accordance with the Airframe Price Revision Formula [***].

1.4 **Incremental Aircraft Delivery Date**

The parties hereto agree that the Incremental Aircraft shall have the following Scheduled Delivery Months:

Incremental Aircraft Scheduled Delivery Months	**Quantity**
[***] 2011	[***]
[***] 2012	[***]
Total	10

The Delivery Schedule set forth in Appendix 1a hereto reflects the addition of such Incremental Aircraft effective at the date hereof.

1.5 **Predelivery Payments**

1.5.1 **Incremental Aircraft Predelivery Payments**

The parties hereto agree that paragraph 5.3.2 of the 2006 Agreement as it relates to the Incremental Aircraft only, shall be hereby cancelled and replaced by the following:

QUOTE

5.3.2 Such Predelivery Payments shall be made in accordance with the following schedule:

DUE DATE OF PAYMENTS	**PERCENTAGE OF PREDELIVERY PAYMENT REFERENCE PRICE**
Upon signature of this Amendment N°1 to this Agreement	*[***] (less the deposit of US Dollars — [***] (US$ [***]) per Incremental Aircraft received by the Seller from the Buyer)*
On the first day of each of the following months prior to the Scheduled Delivery Month:	
[***]	*[***]*
Total Payment prior to Delivery	*[***]*

UNQUOTE

1.5.2 **Original Aircraft Predelivery Payments**

Notwithstanding 1.5.1 above, the parties confirm that paragraph 5.3.2 of the 2006 Agreement remains unaltered and in full force and effect with respect to the twenty Aircraft originally ordered under the 2006 Agreement.

1.5.3 **Predelivery Payments Due**

Upon execution hereof, the Buyer shall make a Predelivery Payment with respect to the Incremental Aircraft in a total amount of [***] (US$ [***]) corresponding to the initial Predelivery Payment Due less the Deposit for all ten Incremental Aircraft.

1.5.4 **Deferred Predelivery Payments**

Notwithstanding paragraph 1.5.1 above, the parties hereto agree that, the Buyer shall have the option to defer Predelivery Payments with respect to ten (10)

Incremental Aircraft until the delivery of each relevant Incremental Aircraft (the **"Incremental Aircraft PDP Deferral**" and the "**Incremental Aircraft PDP Deferral Right**" respectively).

The Incremental Aircraft PDP Deferral shall be in an amount equal to [***] percent ([***]) of the relevant Incremental Aircraft Predelivery Reference Price (the "**Deferred Amount**").

Upon exercise of the Incremental Aircraft PDP Deferral Right, the Seller shall defer the payment of the Deferred Amount in respect of such Incremental Aircraft starting on the date the second (2nd) Predelivery Payment becomes due by the Buyer (which, for the sake of clarity, is the first day of the [***] ([***]) month prior to Scheduled Delivery Month for such the Incremental Aircraft), until the Delivery Date of the corresponding Incremental Aircraft or termination of the Agreement with respect to the concerned Incremental Aircraft (the "**Deferral Period**").

The Buyer shall, during the Deferral Period, pay interest semi annually in arrears on the outstanding amount of such Deferred Amount at a rate of LIBOR for [***] ([***]) months deposits in US Dollars (as published in the Reuters screen or its successor screen at the beginning of each [***] period) plus [***] ([***]) basis points per annum. Interest will be calculated on the basis of the actual number of days elapsed and a 360 day year and will be settled and paid on January 15th and July 15th (or if any such date does not fall on a Working Day, the next following Working Day) of each relevant year.

[***]

The Incremental Aircraft PDP Deferral Right, shall be exercised by written notice by the Buyer, no later than [***] ([***]) days prior to the date on which the second (2nd) Predelivery Payment is due with respect to the earliest Incremental Aircraft Scheduled Delivery Month.

[***]

1.5.5 **Further Amendments**

[***] the 2006 Agreement shall be amended to provide that the deferral of Predelivery Payments set out therein shall be at the election of the Buyer (the "**Original PDP Deferral Right**"), such election to be exercised by written notice to the Seller no later than [***] ([***]) days before the date on which the first [***] ([***]) of the Predelivery Payments due for the relevant Deferred PDP Aircraft would be due.

Once exercised by the Buyer, such Incremental Aircraft PDP Deferral Right shall be in lieu and place and automatically cancel the Original PDP Deferral Right.

In the event that the Buyer exercises the Original PDP Deferral Right, its Incremental Aircraft PDP Deferral Right shall automatically be cancelled.

Clause 21.1.1 of the 2006 Agreement shall be amended by replacing the words "[***]" with the words "[***]".

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2. **CONFIDENTIALITY**

This Amendment is subject to the confidentiality provisions set forth in sub-Clause 22.12 of the 2006 Agreement.

3. **COUNTERPARTS**

This Amendment may be executed in any number of counterparts and by the Buyer and the Seller on separate counterparts, each of which when executed and delivered shall constitute an original, but all counterparts shall together constitute but one and the same document.

4. **MISCELLANEOUS**

Unless otherwise specified, capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to them in the 2006 Agreement. The terms "herein", "hereof" and "hereunder" and words of similar import refer to this Amendment. Both parties agree that this Amendment shall constitute an integral, nonseverable part of the 2006

Agreement and be governed by its provisions, except that if the 2006 Agreement and this Amendment have specific provisions that are inconsistent, the specific provisions contained in this Amendment shall govern.

5. **GOVERNING LAW AND JURISDICTION**

This Amendment shall be governed by and construed in accordance with the Laws of England.

Any dispute arising out of or in connection with this Amendment shall be within the exclusive jurisdiction of the courts of England.

IN WITNES WHEREOF the Buyer and the Seller have caused this Amendment to be executed the day of the year first above written

For and on behalf of,
AerCap Ireland Limited

By: _____

Its: _____

For and on behalf of,
AIRBUS S.A.S.

By: _____

Its: _____

APPENDIX 1 a

Aircraft and INCREMENTAL AIRCRAFT Delivery Schedule

Aircraft & Incremental Aircraft

Number	Scheduled Delivery Month	Year
[***]	[***]	2008
[***]	[***]	2009
[***]	[***]	2010
[***]	[***]	2011
[***]	[***]	2012
TOTAL	30	

Exhibit 21.1

Subsidiary name	Jurisdiction of incorporation
AerCap Holdings C.V.	The Netherlands
AMS AerCap B.V.	The Netherlands
AerCap B.V	The Netherlands
Brazilian Aircraft Finance VII B.V.	The Netherlands
Brazilian Aircraft Finance VIII B.V.	The Netherlands
Brazilian Aircraft Finance X B.V.	The Netherlands
Brazilian Aircraft Finance XI B.V.	The Netherlands
Brazilian Aircraft Finance XII B.V.	The Netherlands
Brazilian Aircraft Finance XIII B.V.	The Netherlands
Brazilian Aircraft Finance XIV B.V.	The Netherlands
Brazilian Aircraft Finance XV B.V.	The Netherlands
Brazilian Aircraft Finance XVI B.V.	The Netherlands
Brazilian Aircraft Finance XVII B.V.	The Netherlands
Brazilian Aircraft Finance XVIII B.V.	The Netherlands
AerCap Aircraft Finance V B.V.	The Netherlands
AerCap Aircraft Finance VII B.V.	The Netherlands
AerCap Aircraft Finance VIII B.V.	The Netherlands
AerCap Aircraft Finance X B.V.	The Netherlands
AerCap Aircraft Finance XI B.V.	The Netherlands
AerCap Aircraft Finance XII B.V.	The Netherlands
AerCap Aircraft Finance XIII B.V.	The Netherlands
AerCap Aircraft Finance XVII B.V.	The Netherlands
AerCap Aircraft Finance XVIII B.V.	The Netherlands
AerCap Financial Services B.V.	The Netherlands
AerCap Leasing I B.V.	The Netherlands
AerCap Leasing II B.V.	The Netherlands
AerCap Leasing IV B.V.	The Netherlands
AerCap Leasing V B.V.	The Netherlands
AerCap Leasing VIII B.V.	The Netherlands
AerCap Leasing XIII B.V.	The Netherlands
AerCap Leasing XIV B.V.	The Netherlands
AerCap Leasing XIX B.V.	The Netherlands
AerCap Leasing XVI B.V.	The Netherlands
AerCap Leasing XVII B.V.	The Netherlands
AerCap Leasing XVIII B.V.	The Netherlands
AerCap Leasing XXII B.V.	The Netherlands
AerCap Leasing XXIV B.V.	The Netherlands
AerCap Leasing XXIX B.V.	The Netherlands
AerCap Leasing XXX B.V.	The Netherlands
AeroTurbine B.V.	The Netherlands
Budapest Aircraft Finance I B.V.	The Netherlands
Jakarta Aircraft Finance I B.V.	The Netherlands
Jakarta Aircraft Finance II B.V.	The Netherlands
Jakarta Aircraft Finance III B.V.	The Netherlands
Mexican Aircraft Finance I B.V.	The Netherlands
Mexican Aircraft Finance II B.V.	The Netherlands
Paris Aircraft Finance IV B.V.	The Netherlands
Stockholm Aircraft Finance III B.V.	The Netherlands
Stockholm Aircraft Finance IV B.V.	The Netherlands
AerCap Dutch Aircraft Leasing B.V.	The Netherlands
AerCap Dutch Aircraft Leasing I B.V.	The Netherlands
AerCap Celtavia 1 Limited	Republic of Ireland
AerCap Celtavia 2 Limited	Republic of Ireland
AerCap Celtavia 3 Limited	Republic of Ireland

AerCap Celtavia 4 Limited	Republic of Ireland
AerCap Celtavia 5 Limited	Republic of Ireland
Pirlo Aircraft Leasing Limited	Republic of Ireland
Berlin Aircraft Leasing Limited	Republic of Ireland
AerCap Ireland Limited	Republic of Ireland
Eden Irish Aircraft Leasing 34970 Limited	Republic of Ireland
Marco Aircraft Leasing Limited	Republic of Ireland

Lyon Location SARL	France
Lyon Aircraft Leasing I SARL	France
Dijon Location SARL	France
Valence Location SARL	France
Lille Location SARL	France
Toulouse Location SARL	France
Metz Location SARL	France
Juan B Martinez Leasing 1 Limited	Bermuda
Juan B Martinez Leasing 2 Limited	Bermuda
AerCap Aircraft Leasing 8 Ltimited	Cayman Islands
Bella Aircraft Leasing 1 Limited	Republic of Ireland
AerVenture Limited	republic of Ireland
GPA-ATR Limited	Republic of Ireland
Opal Aircraft Leasing Limited	Republic of Ireland
AerFunding Leasing 25177 Limited	Republic of Ireland
AerFunding Leasing UK Limited	Republic of Ireland
AerFunding Leasing USA, Inc	Republic of Ireland
Aruba Aircraft Leasing 2828 N.V.	Republic of Ireland
Eden Aircraft Holding No. 2 Limited	Republic of Ireland
Eden Aircraft Holding No. 3 Limited	Republic of Ireland
Air Maple Limited	Republic of Ireland
Air Tara Limited	Republic of Ireland
Ancla Ireland Limited	Republic of Ireland
AerCap Administrative Services Limited	Republic of Ireland
AerCap Associate Holdings Limited	Republic of Ireland
AerCap Cash Manager II Limited	Republic of Ireland
AerCap Cash Manager Limited	Republic of Ireland
AerCap Financial Services (Ireland) Limited	Republic of Ireland
AerCap Fokker 100 Finance Limited	Republic of Ireland
AerCap Fokker Limited	Republic of Ireland
AerCap Jetprop Limited	Republic of Ireland
Orchid Aircraft Leasing Limited	Republic of Ireland
Deasnic Aircraft Leasing Limited	Republic of Ireland
Irish Aerospace Leasing Limited	Republic of Ireland
Irish Aerospace Limited	Republic of Ireland
Skyscape Limited	Republic of Ireland
Tyrolean Limited	Republic of Ireland
Lishui Aircraft Leasing Limited	Republic of Ireland
Jasper Aircraft Leasing Limited	Republic of Ireland
Jasmine Aircraft Leasing Limited	Republic of Ireland
Jade Aircraft Leasing Limited	Republic of Ireland
Bella Aircraft Leasing 3 limited	Republic of Ireland
AerFunding Leasing 1459 Limited	Republic of Ireland
AerCap Celtavia 6 Limited	Republic of Ireland
AerCap CNW Finance Limited	Republic of Ireland
AerCap 1041 Limited	Republic of Ireland
Sunflower Aircraft Leasing Limited	Republic of Ireland
AerDragon	Republic of Ireland
AerDragon Aviation Partners Limited	Republic of Ireland
AerDragon Zang Zi Limited	Republic of Ireland
AerCap Associate Holdings Limited	Republic of Ireland
AerFi Group Limited	Republic of Ireland
GPA Group Limited	Republic of Ireland
AerCap UK Limited	United Kingdom

AerFunding Leasing Asiana Limited	Republic of Ireland
AerFunding Leasing 3294	Republic of Ireland
AerFunding Leasing 3034	Republic of Ireland
AerFunding Leasing 28825	Republic of Ireland
AerCap Asia Limited	Malaysia
AerCap Jet Limited	Jersey
AerFi Sverige AB	Sweden
AerFi Sverige Aircraft AB	Sweden
AerCap Holdings (Bermuda) Limited	Bermuda
AerCap Funding No. 3 (Bermuda) Limited	Bermuda
LC (Bermuda) No. 2 Limited	Bermuda
LC (Bermuda) No. 2 Limited	Bermuda
LC Bermuda No. 2 LLP	Bermuda

AerCap Bermuda No. 3 Limited	Isle of Man
AerCap Holding (IOM) Limited	Isle of Man
AerCap IOM Limited	Isle of Man
Crescent Aviation Limited	Isle of Man
Stallion Aviation Limited	Isle of Man
Acorn Aviation Limited	United Kingdom
AerCap International Limited	United Kingdom
Elasis Leasing Limited	United Kingdom
Elasis Leasing III Limited	United States of America
AerCap, Inc	United States of America
AerCap USA, Inc.	United States of America
AerCap Technologies USA, Inc.	United States of America
AerCap Leasing USA I, Inc.	United States of America
AerCap Leasing USA II, Inc.	United States of America
AerCap Leasing USA Sub I, Inc.	United States of America
AerCap Corporation	Cayman Islands
AeroTurbine, Inc.	Cayman Islands
Elasis (Cayman Islands) Limited	Cayman Islands
Airtransport Leasing Inc	Cayman Islands
Air Tara Hong Kong Limited	Cayman Islands
Air Tara Caymans II Limited	Cayman Islands
Air Tara Caymans I Limited	Cayman Islands
AerCap HK-320-C Limited	Cayman Islands
AerCap HK-320-B Limited	Cayman Islands
AerCap HK-320-A Limited	Cayman Islands
AerCap G Caymans Limited	Cayman Islands
AerCap Corvo Limited	Cayman Islands
AerCap A Bordeaux Limited	Cayman Islands
AerCap 320 Limited	Cayman Islands
AerCap 320 C Limited	Cayman Islands
AerCap 320 B Limited	Cayman Islands
AerCap 320 A Limited	Cayman Islands
Asset Management A/S	Norway
ALS Dutch Aircraft Leasing B.V.	Norway
ALS USA Leasing, Inc	United States of America
Als Bermuda Leasing Limited	Bermuda
ALS Dutch Caribbean Aircraft Leasing N.V.	Cayman Islands
Eden Aircraft Holding No. 1 Limited	Republic of Ireland
ALS Irish Aircraft Leasing MSN 1008 Limited	Republic of Ireland
ALS Irish Aircraft Leasing MSN 1042 Limited	Republic of Ireland

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ALS Irish Aircraft Leasing MSN 1153 Limited	Republic of Ireland
ALS Irish Aircraft Leasing MSN 1204 Limited	Republic of Ireland
ALS Irish Aircraft Leasing MSN 1227 Limited	Republic of Ireland
ALS Irish Aircraft Leasing MSN 16 Limited	Republic of Ireland
ALS Irish Aircraft Leasing MSN 1635 Limited	Republic of Ireland
ALS Irish Aircraft Leasing MSN 1636 Limited	Republic of Ireland
ALS Irish Aircraft Leasing MSN 1668 Limited	Republic of Ireland
ALS Irish Aircraft Leasing MSN 1690 Limited	Republic of Ireland
ALS Irish Aircraft Leasing MSN 1718 Limited	Republic of Ireland
ALS Irish Aircraft Leasing MSN 1726 Limited	Republic of Ireland
ALS Irish Aircraft Leasing MSN 1748 Limited	Republic of Ireland
ALS Irish Aircraft Leasing MSN 215 Limited	Republic of Ireland
ALS Irish Aircraft Leasing MSN 226 Limited	Republic of Ireland
ALS Irish Aircraft Leasing MSN 244 Limited	Republic of Ireland
ALS Irish Aircraft Leasing MSN 24826 Limited	Republic of Ireland
ALS Irish Aircraft Leasing MSN 24827 Limited	Republic of Ireland
ALS Irish Aircraft Leasing MSN 25039 Limited	Republic of Ireland
ALS Irish Aircraft Leasing MSN 258 Limited	Republic of Ireland
ALS Irish Aircraft Leasing MSN 270 Limited	Republic of Ireland
ALS Irish Aircraft Leasing MSN 27306 Limited	Republic of Ireland
ALS Irish Aircraft Leasing MSN 27383 Limited	Republic of Ireland
ALS Irish Aircraft Leasing MSN 30 Limited	Republic of Ireland
ALS Irish Aircraft Leasing MSN 326 Limited	Republic of Ireland
ALS Irish Aircraft Leasing MSN 344 Limited	Republic of Ireland
ALS Irish Aircraft Leasing MSN 361 Limited	Republic of Ireland
ALS Irish Aircraft Leasing MSN 37 Limited	Republic of Ireland

ALS Irish Aircraft Leasing MSN 376 Limited	Republic of Ireland
ALS Irish Aircraft Leasing MSN 386 Limited	Republic of Ireland
ALS Irish Aircraft Leasing MSN 400 Limited	Republic of Ireland
ALS Irish Aircraft Leasing MSN 45 Limited	Republic of Ireland
ALS Irish Aircraft Leasing MSN 478 Limited	Republic of Ireland
ALS Irish Aircraft Leasing MSN 628 Limited	Republic of Ireland
ALS Irish Aircraft Leasing MSN 755 Limited	Republic of Ireland
ALS Irish Aircraft Leasing MSN 758 Limited	Republic of Ireland
ALS Irish Aircraft Leasing MSN 839 Limited	Republic of Ireland
ALS Irish Aircraft Leasing MSN 892 Limited	Republic of Ireland
ALS Irish Aircraft Leasing MSN 963 Limited	Republic of Ireland
Eden Irish Aircraft Leasing MSN 1459 Limited	Republic of Ireland
Eden Irish Aircraft Leasing MSN 1612 Limited	Republic of Ireland
Eden Irish Aircraft Leasing MSN 25113 Limited	Republic of Ireland
Eden Irish Aircraft Leasing MSN 25114 Limited	Republic of Ireland
Eden Irish Aircraft Leasing MSN 27135 Limited	Republic of Ireland
Eden Irish Aircraft Leasing MSN 28222 Limited	Republic of Ireland
Eden Irish Aircraft Leasing MSN 28230 Limited	Republic of Ireland
Eden Irish Aircraft Leasing MSN 28232 Limited	Republic of Ireland
Eden Irish Aircraft Leasing MSN 28825 Limited	Republic of Ireland
Eden Irish Aircraft Leasing MSN 2981 Limited	Republic of Ireland
Eden Irish Aircraft Leasing MSN 3049 Limited	Republic of Ireland
Eden Irish Aircraft Leasing MSN 30757 Limited	Republic of Ireland
Eden Irish Aircraft Leasing MSN 30876 Limited	Republic of Ireland
Eden Irish Airctaft Leasing MSN 30758 Limited	Republic of Ireland
Chameli Aircraft Leasing Limited	Republic of Ireland
Fifi Aircraft Leasing Limited	Republic of Ireland
Marco Aircraft Leasing Limited	Republic of Ireland
ALS Malaysia Leasing Limited	Malaysia

Exhibit 23.1

PRICEWATERHOUSECOOPERS

AerCap Holdings N.V.

Consent of independent registered public accounting firm

We hereby consent to the use in this Registration Statement on Form F-1 of AerCap Holdings N.V. of our report dated March 21, 2007, except for "maintenance adjustment" as described in note 1 which is dated July 10, 2007, relating to the financial statements and financial statement schedule of AerCap Holdings N.V., which appears in such Registration Statement. We also consent to the reference to us under the heading "Experts" in such Registration Statement.

Rotterdam, July 10, 2007

PricewaterhouseCoopers Accountants N.V.

/s/ Andre Tukker

Andre Tukker

Exhibit 23.2

PRICEWATERHOUSECOOPERS

AerCap Holdings N.V.

Consent of independent registered public accounting firm

We hereby consent to the use in this Registration Statement on Form F-1 of AerCap Holdings N.V. of our report dated March 21, 2007, except for "maintenance adjustment" as described in note 1 which is dated July 10, 2007, relating to the financial statements and financial statement schedule of debis AirFinance B.V., which appears in such Registration Statement. We also consent to the reference to us under the heading "Experts" in such Registration Statement.

Rotterdam, July 10, 2007

PricewaterhouseCoopers Accountants N.V.

/s/ Andre Tukker

Andre Tukker

QuickLinks -- Click here to rapidly navigate through this document

Exhibit 23.3

Independent Auditors' Consent

The Board of Directors

AeroTurbine, Inc.:

We consent to the inclusion in the registration statement on Form F-1 of AerCap Holdings N.V. of our report dated July 24, 2006, with respect to the combined balance sheet of AeroTurbine, Inc. and Affiliate (the Company) as of December 31, 2005, and the related combined statements of operations, shareholders' equity, and cash flows for the year then ended, included herein and to the reference to our firm under the heading "Experts" in the prospectus.

As discussed in note 13 to the combined financial statements, on April 26, 2006, the Company was acquired by AerCap, Inc.

/s/ KPMG LLP

July 10, 2007

Miami, Florida

Certified Public Accountants

QuickLinks

Exhibit 23.5

July 10, 2007

Morgan Stanley & Co. Incorporated
1585 Broadway
New York, NY 10036

Goldman, Sachs & Co.
85 Broad Street
New York, NY 10004

Lehman Brothers Inc.
745 Seventh Avenue
New York, New York 10019

Merrill Lynch, Pierce, Fenner & Smith
Incorporated
250 Vesey Street
4 World Financial Center
New York, New York 10080

c/o Morgan Stanley & Co. Incorporated
1585 Broadway
New York, NY 10036

AerCap Holdings N.V.
Evert van de Beekstraat 312
1118 CX Schiphol Airport
The Netherlands

Re: Report on commercial aircraft industry

Ladies and Gentlemen:

This letter confirms that Simat, Helliesen & Eichner, Inc. ("*SH&E*") hereby consents to being named as a source of the information and data relating to the commercial aircraft industry to be included in each of the Form F-1 registration statement, as amended from time to time (the "*Registration Statement*"), the preliminary prospectus (the "*Preliminary Prospectus*") and the final prospectus (the "*Final Prospectus*") to be used in connection with the secondary offer and sale of the Ordinary Shares to be sold by certain shareholders of AerCap Holdings N.V. ("*AerCap*") pursuant to a registration statement filed with the Securities and Exchange Commission and a supplemental listing on the New York Stock Exchange, and to its reference as an expert in the Registration Statement, the Preliminary Prospectus and the Final Prospectus.

This letter further confirms that neither SH&E nor any of its directors or officers (i) is an affiliate of AerCap, the underwriters of the Ordinary Shares identified in the Registration Statement (the "Underwriters") or any of their respective affiliates, (ii) has any substantial interest, direct or indirect, in AerCap, the Underwriters or any of their respective affiliates or (iii) is connected with AerCap, the Underwriters or any of their respective affiliates as an officer, employee, promoter, underwriter, trustee, partner, director or person performing similar functions.

Sincerely,
Simat, Helliesen & Eichner, Inc.

By:
/s/ CLIVE G. MEDLAND

Name: Clive G. Medland
Title: Senior Vice President