

AIRCRAFT LEASE

DATED AS OF MARCH 26, 1996

between

FLEET CREDIT CORPORATION,
as Lessor

and

THE WING GROUP, LIMITED CO.,
as Lessee

This is Counterpart No. ___ of a total of ___ counterparts. Only Counterpart No. 1 shall be considered chattel paper for purposes of the Uniform Commercial Code and a security interest may be perfected only by possession of Counterpart No. 1.

WS021580

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EXHIBIT A - Definitions

Lease Supplement No. 1

- Schedule No. 1 to Lease Supplement No. 1
- Schedule No. 2 to Lease Supplement No. 1
- Schedule No. 2-A to Lease Supplement No. 1
- Schedule No. 3 to Lease Supplement No. 1
- Schedule No. 4 to Lease Supplement No. 1
- Schedule No. 5 to Lease Supplement No. 1

Lease Supplement No. 2

- EXHIBIT B - Aircraft Bill of Sale
- EXHIBIT C - Opinion Letter (Lessee)
- EXHIBIT D - Assignment and Assumption Agreement
- EXHIBIT E - Form of Letter of Credit

AIRCRAFT LEASE

This AIRCRAFT LEASE (together with all Supplements, Exhibits and Certificates hereto, the "Lease") is made and entered into as of the 26th day of March, 1996 by and between Fleet Credit Corporation, a Rhode Island corporation ("Lessor"), with a place of business at 50 Kennedy Plaza, Fifth Floor, Providence, RI 02903-2305, and The Wing Group, Limited Co., a Delaware corporation ("Lessee"), having its principal place of business and chief executive office at 1610 Woodstead Court, Suite 220, The Woodlands, TX 77380. Certain capitalized terms as used in this Lease are defined in Exhibit A hereto, and such definitions are hereby incorporated herein and made a part hereof as though set forth herein in full.

SECTION 1. Acceptance and Lease of Aircraft

Subject to the satisfaction of each condition set forth in Section 2 (I) and (II), Lessor hereby agrees to purchase the Aircraft from the Supplier and to lease the same to Lessee and Lessee hereby agrees to lease the same from Lessor for the Basic Term hereof pursuant to the terms and conditions of this Lease. The sale of the Aircraft to Lessor shall include all of Supplier's right, title and interest in and to the Aircraft.

SECTION 2. Conditions to Closing; Closing Covenants.

(I) Conditions Precedent.

Lessor's obligations to purchase the Aircraft from the Supplier and to lease said Aircraft to Lessee, shall each be both subject to and conditioned upon all of the following conditions being satisfied:

(a) Lessor receiving on or prior to the Acceptance Date, all of the following in form and substance satisfactory to it:

(i) the Purchase Documents duly executed and accompanied by evidence of authenticity and authority;

(ii) evidence of reservation of an "N" number for the Aircraft, together with an assignment of Lessee's rights in same to Lessor;

(iii) evidence that the Aircraft has been duly certified as to type and airworthiness by the FAA in the form of a Standard Airworthiness Certificate (FAA Form 8100-2) issued by the FAA;

(iv) three (3) duly executed originals of the Lease, including, Lease Supplement No. 1, Lease Supplement No. 2 and all Schedules and Exhibits thereto;

(v) a certificate or certificates, executed by the Lessee's secretary or other authorized officer certifying: (A)

resolutions of Lessee's Board of Directors authorizing the execution, delivery and performance of this Lease, the Purchase Documents, the applicable FAA documents and the transactions contemplated hereby and thereby and (B) the name(s) of the person(s) authorized to execute and deliver such documents on behalf of Lessee together with specimen signature(s) of such person;

(vi) certificate(s) of insurance as to the coverage required under Section 14 hereof, accompanied, if requested by lessor, by the applicable policies and report(s) of insurance broker(s) or underwriter(s) pursuant to thereto as to the conformity of such coverage with such requirements;

(vii) evidence that FAA Counsel has received in escrow the executed FAA AC Form 8050-2 Aircraft Bill of Sale (the "Bill of Sale") in the name of Lessor and AC Form 8050-1 Aircraft Registration Application in the name of Lessor (the "Registration Application") (except for the pink copy which shall be available to be placed on the Aircraft upon acceptance thereof), releases in form and substance satisfactory to FAA Counsel, Lessor's counsel and/or Lessor of any Liens, such other bills of sale, in the form of FAA AC Form 8050-2 or otherwise, as are necessary, in the opinion of Lessor's counsel and/or FAA Counsel to vest good and marketable title to the Aircraft in the name of Lessor and executed duplicates of the Lease and Lease Supplements No. 1 and 2, all the foregoing (except for such Warranty Bill of Sale) being in proper form for filing with the FAA;

(viii) opinion of counsel for Lessee satisfactory to Lessor and in the form of Exhibit C hereto;

(ix) certificate(s) of good standing for Lessee from the state of its incorporation and the state(s) where the Primary Hangar Location and Lessee's chief executive offices and principal place of business are located;

(x) certified copies of the organizational documents of Lessee;

(xi) UCC financing statements executed by Lessee (and, where needed, assignment, release and/or termination statements) with respect to the Aircraft in all places which are, in Lessor's opinion, necessary or appropriate to protect Lessor's interest therein have been delivered to Lessor;

(xii) an opinion of FAA Counsel satisfactory to Lessor that title to the Airframe is vested in Lessor and that the Aircraft (including, without limitation the Airframe and Engines) is free and clear of all liens and encumbrances of record;

(xiii) an irrevocable Letter of Credit in favor of Lessor duly issued by a commercial bank acceptable to the Lessor and, in

form and substance satisfactory to Lessor and Lessor's counsel, pursuant to the terms of Section 27 of this Lease;

(xiv) a letter agreement from Western providing Lessee an irrevocable line of credit with regard to the Lessee's obligations under this lease, and in form and substance satisfactory to Lessor and Lessor's counsel; and

(xv) such other documents, certificates and opinions, and evidence of such other matters, as Lessor, Lessor's counsel or FAA Counsel may reasonably request.

(b) No material adverse change in the financial condition of Lessee or Western has occurred since the date of the last financial statements furnished to Lessor as set forth on Schedule No. 2 to Lease Supplement No. 1.

(c) Receipt by Lessor of a satisfactory inspection report with respect to the Aircraft prepared by inspector(s) acceptable to Lessor.

(d) Lessee's acceptance of the Aircraft on or before the Acceptance Date.

(e) In addition to the above listed conditions precedent, Lessee covenants and agrees that upon Lessor's acknowledgement that all the conditions to the sale and lease as aforesaid have been satisfied, Lessee shall release from escrow to Lessor the documents held by FAA Counsel on behalf of Lessee and shall authorize FAA Counsel to file and record all appropriate documentation, including, without limitation, the Lease and Lease Supplements No. 1 and No. 2, with the FAA on the Acceptance Date.

(II) Conditions Subsequent.

On or subsequent to the Acceptance Date, but not later than the date of the Aircraft's first flight under the leasehold conveyed herein, Lessee shall provide written confirmation to Lessor that a copy of the Registration Application has been properly placed within the Aircraft.

In addition if the Aircraft is more than 12,500 pounds maximum certificated takeoff weight, prior to the date of the Aircraft's first flight hereunder Lessee shall provide Lessor with written confirmation that:

(a) a copy of this Lease, including Lease Supplements No. 1 and No. 2, has been properly placed within the Aircraft;

(b) a copy of this Lease, including Lease Supplements No. 1 and No. 2, was mailed, within 24 hours following execution thereof, to the Flight Standards Technical Division of the FAA; and

(c) Lessee has notified the FAA (such notification to have been given by telephone or in person to the FAA Flight Standards District Office, General Aviation District Office, Air Carrier District Office or International Field Office nearest the airport where such flight will originate) concerning the first flight of the Aircraft under this Lease at least 48 hours prior to takeoff.

SECTION 3. Term and Rent.

(a) The leasing of the Aircraft by Lessor to Lessee shall commence on the Acceptance Date and end on the Expiration Date each as set forth on Schedule No. 2 to Lease Supplement No. 1, unless this Lease shall have been terminated or extended in accordance with the terms hereof.

(b) Lessee shall pay to Lessor as basic rent (herein referred to as "Basic Rent") the following:

(i) on the Acceptance Date, an amount equal to the Daily Lease Rate, multiplied by the number of days elapsed from and including the Acceptance Date with respect to the Aircraft to but excluding the Rent Commencement Date;

(ii) on the First Basic Rent Date and on each Basic Rent Date thereafter, to and including the Last Basic Rent Date, an amount equal to the Basic Rent set forth on Schedule 2-A hereto; and

(iii) after the Expiration Date until the Aircraft is returned to the Lessor in accordance with Section 8 hereof, an amount equal to the Basic Rent which amount shall be payable each and every calendar month immediately after the Expiration Date until the return of the Aircraft to the Lessor as provided under this Lease on the day of the month on which Basic Rent was payable during the Term.

(c) In addition, Lessee shall pay to Lessor the following amounts (herein referred to as "Supplemental Rent" and, together with all Basic Rent, collectively as "Rent"): (i) any other amount payable hereunder which Lessee assumes the obligation to pay, or agrees to pay, under this Lease to Lessor or others; (ii) on the date provided herein, any amount payable hereunder as Casualty Value, Termination Amount and/or any amounts due pursuant to Section 23 hereof plus any and all amounts regarding the same and (iii) to the extent permitted by applicable law, interest at the Late Payment Rate for the number of days actually elapsed on any amount payable hereunder not paid when due, plus, as an administrative and late charge, an amount equal to five percent (5%) of the amount payable if not paid when due. The expiration or other termination of Lessee's obligation to pay Basic Rent hereunder shall not terminate, limit or modify the obligations of Lessee with respect to Supplemental Rent, which shall survive such expiration or other termination.

(d) All payments of Rent or other amounts required hereunder shall be made to Lessor in immediately available United States funds on the date payable hereunder at its address set forth herein or at such other address or to such other Person as Lessor may direct by notice in writing to Lessee.

SECTION 4. Limited Appointment of Agent.

Lessor hereby appoints Lessee as Lessor's agent for the sole and limited purpose of accepting delivery of the Aircraft from the Supplier. The execution by Lessee of Lease Supplement No. 1 shall evidence that the Aircraft is leased under, and is subject to all of the terms, provisions and conditions of, this Lease and constitute Lessee's unconditional and irrevocable acceptance of the Aircraft for all purposes of this Lease.

SECTION 5. Warranties.

Lessor warrants that during the term of this Lease, so long as no Event of Default or Default has occurred and is continuing hereunder, Lessee's possession of the Aircraft shall not be divested by Lessor or anyone claiming through or under Lessor.

The warranty set forth hereinabove is in lieu of all other warranties of Lessor, whether written, oral or implied, with respect to this Lease or the Aircraft, and Lessor shall not be deemed to have modified in any respect the obligations of Lessee pursuant to Section 7 hereof, which obligations are and shall remain absolute, irrevocable and unconditional under all events and circumstances whatsoever. LESSEE EXPRESSLY ACKNOWLEDGES THAT IT HAS SELECTED THE AIRCRAFT WITHOUT ANY ASSISTANCE FROM LESSOR, ITS AGENTS OR EMPLOYEES AND LESSEE EXPRESSLY AGREES THAT IT IS LEASING THE AIRCRAFT FROM LESSOR IN AN "AS IS" CONDITION. LESSOR SHALL NOT BE DEEMED TO HAVE MADE, AND LESSOR HEREBY EXPRESSLY DISCLAIMS, ANY REPRESENTATION OR WARRANTY (EXCEPT FOR THE WARRANTY CONTAINED IN THIS SECTION 5), EITHER EXPRESS OR IMPLIED, AS TO THE AIRCRAFT, ANY PART THEREOF, ANY RECORDS, OR ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, THE DESIGN, CONDITION, CAPACITY OR DURABILITY OF THE AIRCRAFT, ITS MERCHANTABILITY OR ITS FITNESS FOR ANY PARTICULAR PURPOSE, USE OR OPERATION, THE QUALITY OF THE MATERIALS OR WORKMANSHIP OF THE AIRCRAFT, ITS VALUE OR AIRWORTHINESS, TITLE, SAFETY, THE ABSENCE OF ANY PATENT, TRADEMARK OR COPYRIGHT INFRINGEMENT OR LATENT DEFECT (WHETHER OR NOT DISCOVERABLE BY LESSEE), COMPLIANCE OF THE AIRCRAFT WITH THE REQUIREMENTS OF ANY LAW, RULE, REGULATION OR STANDARD PERTAINING THERETO, OR THE CONFORMITY OF THE AIRCRAFT TO THE PROVISIONS AND SPECIFICATIONS OF ANY PURCHASE DOCUMENT RELATING THERETO OR ANY INTERFERENCE OR ANY COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OF TRADE, NOR SHALL LESSOR BE LIABLE, REGARDLESS OF ANY ACTUAL OR ALLEGED NEGLIGENCE OF LESSOR, FOR ANY DEFECTS, EITHER PATENT OR LATENT (WHETHER OR NOT DISCOVERABLE BY LESSEE), IN THE AIRCRAFT OR ANY PART THEREOF OR ANY DIRECT OR INDIRECT DAMAGE TO PERSONS OR PROPERTY RESULTING THEREFROM OR FOR ANY DIRECT, INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES

OR FOR STRICT OR ABSOLUTE LIABILITY IN TORT. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, LESSEE HEREBY WAIVES ANY CLAIM (INCLUDING ANY CLAIM BASED ON STRICT OR ABSOLUTE LIABILITY IN TORT OR INFRINGEMENT) IT MIGHT HAVE AGAINST LESSOR FOR ANY LOSS, DAMAGE (INCLUDING, WITHOUT LIMITATION, DIRECT, INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGE) OR EXPENSE CAUSED BY THE AIRCRAFT OR BY LESSEE'S LOSS OF USE THEREOF FOR ANY REASON WHATSOEVER.

Lessee acknowledges that Lessee, and not Lessor, has selected the Aircraft, the Airframe and the Engines. Lessee further acknowledges that the Lessor has not manufactured or supplied the Aircraft, the Airframe, or the Engines and that the Lessor acquired or will acquire the Aircraft and/or the right to possession thereto in connection with this Lease.

So long and only so long as an Event of Default or Default hereunder shall not have occurred and be continuing, and so long and only so long as the Aircraft shall be subject to this Lease and Lessee shall be entitled to possession of the Aircraft hereunder, Lessor assigns to Lessee and authorizes Lessee, at Lessee's expense, to assert for Lessor's account, all rights and powers of Lessor under any manufacturer's, vendor's or dealer's warranty on the Aircraft or any part thereof, (including, without limitation, any warranty of Manufacturer or Supplier). Notwithstanding the foregoing, Lessee shall not attempt to enforce any such performance by legal proceeding without Lessor's prior written approval.

SECTION 6. Representations, Warranties and Agreements of Lessee.

Lessee represents, warrants and agrees as follows:

(a) Due Organization of Lessee. Lessee has the form of business organization indicated in the caption of this Lease and is duly organized and existing in good standing under the laws of the state listed in the caption of this Lease and is duly qualified to do business wherever necessary to carry on its present business and operations and to own its property including, without limitation, the Primary Hangar Location.

(b) Due Authorization of Lessee; No Violation by Lessee. This Lease has been duly authorized by all necessary action on the part of Lessee consistent with its form of organization, does not require any further shareholder, member or partner approval, does not require the approval of, or the giving notice to, any Federal, state, local or foreign governmental authority (including, without limitation, the Department of Transportation and/or the FAA) and does not contravene any law binding on Lessee or contravene any provision of, or constitute a default or result in the creation of any Lien other than a Permitted Lien under any certificate or articles of incorporation or organization or by-laws or partnership certificate or agreement, or any agreement, indenture, or other instrument to which Lessee is a party or by which it may be bound.

(c) Enforceability of Lease. This Lease has been duly executed and delivered by authorized officers or partners of Lessee and constitutes a legal, valid and binding obligation of Lessee enforceable in accordance with its terms.

(d) Financial Statements of Lessee. Lessee agrees to furnish Lessor (i) as soon as available, and in any event within one hundred twenty (120) days after the last day of each fiscal year of Lessee, a copy of the balance sheets of Lessee as of the end of such fiscal year, and related statements of income and retained earnings of Lessee for such fiscal year, all in reasonable detail prepared in accordance with generally accepted accounting principles consistently applied and certified by an independent certified public accounting firm of recognized standing and which is reasonably acceptable to Lessor, each on a comparative basis with corresponding statements for the prior fiscal year; (ii) within forty five (45) days after the last day of each fiscal quarter of Lessee (except the last fiscal quarter of any fiscal year), a copy of the balance sheet of Lessee as of the end of each such quarter, and statement of income and retained earnings covering the fiscal year to date of Lessee, each on a comparative basis with the corresponding period of the prior year, all in reasonable detail and certified by the treasurer or principal financial officer of Lessee and (iii) within thirty (30) days after the date on which they are filed, all reports, forms and other filings, if any, required to be made by Lessee to the Securities and Exchange Commission ("SEC") or (in respect of the Aircraft or the Lease) the FAA, including, without limitation, any SEC Form 10-Q and related reports or documents. All credit, financial and other information provided by Lessee or at Lessee's direction is, and all such information hereafter furnished will be, true, correct and complete in all material respects.

(e) Furnishing of Information. Lessee agrees that it shall furnish from time to time to Lessor such information relating to Lessee and/or Western, and their respective subsidiaries and/or affiliates, financial or otherwise, as Lessor shall reasonably request.

(f) Location of Chief Executive Offices. The chief executive offices and principal place of business of Lessee is located at the address set forth in Schedule No. 2 to Lease Supplement No. 1, and Lessee agrees to give Lessor thirty (30) days' prior written notice of any relocation of said chief executive offices or principal place of business from its present location, or of any change in its name or identity.

(g) Documents on Board. A current and valid Registration Application or Certificate of Aircraft Registration, and a copy of this Lease and the Lease Supplements, will be kept on board the Aircraft at all times during the term of this Lease.

(h) Selection of Aircraft. Lessor has not selected, manufactured or supplied the Aircraft to Lessee and has acquired the Aircraft subject hereto solely in connection with this Lease and Lessee has received and approved the terms of any purchase order or agreement

with respect to the Aircraft.

(i) Litigation relating to Lessee. There are no proceedings pending or, so far as the officers of Lessee know, threatened against or affecting Lessee or any of its property before any court, administrative officer or administrative agency which would have a material adverse affect on the title of Lessor to the Aircraft, or which, if decided adversely affect the financial condition or operations of Lessee or the ability of Lessee to perform its obligations under this Lease. Further, Lessee is not in default under any material obligation for the payment of borrowed money, for the deferred purchase price of property, or for the payment of any rent which, either individually or in the aggregate, would have the same such effect.

(j) No Adverse Mortgages. The right, title and interest of Lessor in and to the Aircraft and the Rent will not be adversely affected or impaired by the terms of any mortgage, loan agreement or indenture or any other contract, agreement or instrument to which Lessee is a party, or under which it or any of its property is or may become bound. In addition, no mortgage, deed of trust, or other Lien which now covers or affects, or which may hereafter cover or affect, any property or interest therein of Lessee, now attaches or hereafter will attach to the Aircraft, the Airframe or any Engine, or in any manner affects or will affect adversely Lessor's right, title and interest therein.

(k) Taxes. Lessee has filed or caused to be filed and will continue to file all Federal, state and local tax returns which are required to be filed, and has paid or caused to be paid and will continue to pay all taxes shown to be due and payable on such returns or (except to the extent being contested in good faith and for the payment of which adequate reserves have been provided) on any assessment received by Lessee, to the extent that such taxes have heretofore or in the future become due and payable.

(l) Filing. Except for the registration of the Aircraft with the FAA and except for filing and recording of the applicable documents pursuant to the Federal Aviation Act no further action, including any filing or recording of any document (except for any financing statement under Article 9 of the UCC of any applicable jurisdiction to be filed pursuant hereto) is necessary or advisable in order to establish and perfect Lessor's title to and interest in, the Aircraft, as against Lessee and/or any Person in any applicable jurisdiction.

(m) Good Title. Lessor will be the owner of the Aircraft as of the Acceptance Date and will have good and marketable title to the Aircraft, free and clear of all Liens other than any Liens created in favor of Lessor under this Lease.

(n) Records. Lessee has reviewed all Records with respect to the operation and maintenance of the Aircraft prior to the Acceptance Date and such Records have been kept in accordance with the requirements of the FAA rules and regulations and industry standards. Lessee shall

maintain all such Records during the Term of this Lease in accordance with the requirements of the FAA, and any manufacturer's maintenance programs or requirements as well as Sections 8 and 11 of this Lease.

(o) Claims. Lessee has no pending claims, and does not have knowledge of any facts upon which a future claim may be based, against any prior owner, the Manufacturer or Supplier of the Aircraft or of any Engine or part thereof for breach of warranty or otherwise.

(p) U.S. Citizen. The Lessee is and will continue to be a "citizen of the United States" within the meaning of the Federal Aviation Act.

(q) Engines. Each of the Engines has 750 or greater rated takeoff horsepower or the equivalent of such horsepower.

(r) Corporate Existence; Merger, Sale, etc. Lessee shall at all times maintain its corporate existence and, shall not consolidate, reorganize or merge with or into any other corporation or Person, or sell, convey, transfer or lease, as applicable, all or substantially all of its assets or stock to any Person, or become the subject of, or engage in, a leveraged buy out or any other form of corporate reorganization without the prior written consent of Lessor.

(s) Financial Statements of Western. Lessee agrees to cause Western to furnish Lessor (i) as soon as available, and in any event within one hundred twenty (120) days after the last day of each fiscal year of Western, a copy of the balance sheets of Western as of the end of such fiscal year, and related statements of income and retained earnings of Western for such fiscal year, all in reasonable detail prepared in accordance with generally accepted accounting principles consistently applied and certified by an independent certified public accounting firm of recognized standing and which is reasonably acceptable to Lessor, each on a comparative basis with corresponding statements for the prior fiscal year; (ii) within forty-five (45) days after the last day of each fiscal quarter of Western (except the last fiscal quarter of any fiscal year), a copy of the balance sheet of Western as of the end of each such quarter, and statement of income and retained earnings covering the fiscal year to date of Western, each on a comparative basis with the corresponding period of the prior year, all in reasonable detail and certified by the treasurer or principal financial officer of Western; and (iii) within thirty (30) days after the date on which they are filed, all reports, forms and other filings, if any, required to be made by Western to the SEC or (in respect of the Aircraft or the Lease) the FAA, including, without limitation, any SEC Form 10-Q and related reports or documents. All credit, financial and other information provided by Western or at Western's direction is, and all such information hereafter furnished will be, true, correct and complete in all material respects.

(t) Accuracy of Financial Statements. All balance sheets, statements of profit and loss and other financial data that have been delivered to Lessor with respect to Lessee and/or Western (i) are

complete and correct in all material respects, (ii) accurately present the financial condition of Lessee and/or Western on the dates for which, and the results of its operation for the periods for which, the same have been furnished, and (iii) have been prepared in accordance with generally accepted accounting principles consistently applied throughout the periods covered thereby. In addition, all balance sheets disclose all known liabilities, direct and contingent, as of their respective dates, and there has been no material adverse change in the condition of Lessee and/or Western, financial or otherwise, since the date of the most recent financial statements delivered to Lessor with respect to Lessee and/or Western.

SECTION 7. Net Lease.

This Lease is a net lease, and Lessee acknowledges and agrees that Lessee's obligation to pay all Rent hereunder and the rights of Lessor in and to such Rent, shall be absolute, irrevocable and unconditional and shall not be subject to cancellation, termination, modification or repudiation by Lessee or any abatement, reduction, setoff, defense, counterclaim or recoupment (collectively, "abatements") for any reason or under any circumstance whatsoever, including, without limitation, Abatements due to any present or future claims of Lessee against Lessor, its successors and assigns whether under this Lease or otherwise, the Manufacturer, the Supplier or any other Person for whatever reason. Lessee hereby waives any and all existing and future claims to any Abatement against such Rent, and agrees to pay all such Rent regardless of any Abatement which may be asserted in connection with this Lease, the Aircraft or otherwise. Except as otherwise expressly provided herein, this Lease shall not terminate, nor shall the obligations of Lessee be affected, by reason of any defect in or damage to, or any loss or destruction of, the Aircraft or any part thereof from whatsoever cause, or the invalidity or unenforceability or lack of due authorization of this Lease or lack of right, power or authority of Lessor to enter into this Lease, or for any other cause, whether similar or dissimilar to the foregoing, any present or future law or regulation to the contrary notwithstanding, it being the express intention of Lessor and Lessee that all Rent payable to Lessee hereunder shall be, and continue to be, payable in all events unless and until the obligation to pay the same shall be terminated pursuant to the express provisions of this Lease.

SECTION 8. Return of Aircraft.

(a) Condition Upon Return. Unless purchased by Lessee, upon the expiration or other termination of this Lease (whether following an Event of Default or otherwise), Lessee, at its own expense, will return the Aircraft to Lessor at a location specified by the Lessor within the continental United States or to such other location as Lessor may reasonably request and in the condition in which the Aircraft is required to be maintained pursuant to Section 11 hereof and any other applicable provisions of the Lease, fully equipped with the same number, make and model number of Engines as are set forth on Schedule No. 1 to Lease Supplement No. 1, which shall fully comply with Section 8(g) hereof, and

which, in the opinion of Lessor, have the same or improved utility, value, useful life, performance, and efficiency and suitable for use on the Airframe and owned by Lessor and properly installed thereon. Lessee shall not be relieved of any of its duties, obligations, covenants, or agreements under this Lease (including, without limitation, its obligation to pay Basic Rent) prior to the return of the Aircraft in the manner and condition required with respect to such return. The Aircraft, at Lessee's expense, upon redelivery pursuant hereto, (i) shall be duly certified by the FAA as an airworthy aircraft, (ii) shall be free and clear of all Liens other than this Lease and any Lessor's Liens, (iii) shall be in the same configuration and in the same operating condition, ordinary wear and tear excepted, as when delivered to Lessee hereunder, (iv) shall be in good operating condition, in good physical condition and good appearance (ordinary wear and tear excepted) and (v) shall be otherwise in the condition and repair required under this Lease.

(b) Overhaul-General. At the time of such return, (i) the Airframe (including, without limitation) the landing gear on the Aircraft) shall not have been operated more than one-half of the allowable time between major airframe overhauls or major block maintenance before the next major airframe overhaul or major block maintenance, whichever shall then apply, in accordance with Lessee's then approved overhaul and/or maintenance program authorized by and performed to FAA requirements applicable to Lessee, and shall have no less than half life (as measured by reference to calendar, phase and/or periodic maintenance and/or inspection standards) remaining on any life limited Airframe part or component (including, without limitation, the landing gear on the Aircraft) before overhaul or replacement and (ii) each Engine shall not have been operated more than one-half of the allowable time remaining before overhaul (both hot and cold sections as measured by reference to calendar, phase and/or periodic maintenance and/or inspection standards) and all cycle limited parts or time controlled components of each Engine shall not have been operated more than one-half the allowable cycles or time remaining before replacement; said Engine overhaul and Engine parts and components replacement to be performed in accordance with Lessee's then approved engine overhaul and parts and components replacement program authorized by and performed to FAA requirements applicable to Lessee. Notwithstanding the foregoing, the requirements of clause (ii) above shall be deemed to have been satisfied if (X) at the time of return of the Engines, the Engines being returned to Lessor shall be covered by a transferrable MSP Contract, (Y) adequate reserves, if required under any such MSP Contract, for future required maintenance and/or overhaul shall have been provided for pursuant to such MSP Contract and (Z) Allied-Signal Aerospace Company, Garrett Engine Division, the Manufacturer or such other entity as performs the obligations of such party pursuant to the applicable MSP Contract shall recognize the transfer of the rights and interests of Lessee under such MSP Contract to Lessor or its designee.

(c) Overhaul-Airframe. In the event that Lessee does not meet the conditions in clause (i) of Section 8(b) hereof with respect to the Airframe, Lessee shall pay Lessor a dollar amount computed by multiplying

(i) Lessor's then current cost for such major overhaul or major block maintenance as the case may be (such cost being the then current rates charged by an airframe overhaul facility approved by the Manufacturer of the Airframe and acceptable to Lessor, together with all costs associated with such overhaul), by (ii) a fraction of which (x) the numerator shall be the excess of the number of hours since the last such major overhaul or major block maintenance, as the case may be, over fifty percent (50%) of the number of hours of allowable time between major overhauls or major block maintenance and (y) the denominator shall be the total number of hours of such allowable time.

In the event the life limited parts or components requirement contained in clauses (i) or (ii) of Section 8(b) hereof is not met, Lessee shall pay to Lessor with respect to each part or component for which said requirement is not met the dollar amount obtained by multiplying (i) the ratio that the life expended in excess of half-life bears to the total allowable life for such part or component by (ii) Lessor's cost of replacement of such part or component. Lessor's cost of replacement of a part or component shall include Lessor's then current cost of purchasing the part or component itself and all of Lessor's then current costs associated with the replacement. Notwithstanding the foregoing, the requirements of clause (ii) above shall be deemed to have been satisfied if at the time of return of the Aircraft, (x) the Engines being returned to Lessor shall be covered by a transferrable MSP Contract and shall be in full compliance with the provisions thereof, including, without limitation, the maintenance provisions thereof, (y) adequate reserves, if required under any such MSP Contract, for future required maintenance and/or overhaul shall have been provided for pursuant to such MSP Contract and (z) Allied-Signal Aerospace Company, Garrett Engine Division, the Manufacturer or such other entity as performs the obligations of such party pursuant to the MSP Contract shall recognize the transfer of the rights and interests of Lessee under the MSP Contract to Lessor or its designee.

(d) Overhaul-Engine. In the event that Lessee does not meet the conditions in clause (ii) of Section 8(b) hereof with respect to the Engines, Lessee shall pay to the Lessor with respect to each Engine for which said conditions are not met the dollar amount per Engine obtained by multiplying (i) the ratio that the time accumulated since half time bears to the time allowable between overhaul by (ii) Lessor's cost for such overhaul of such Engine; Lessor's cost referred to in this clause (ii) being the then current rates charged by an engine overhaul facility approved by the Manufacturer of the Engines and acceptable to Lessor, together with all costs associated with such overhaul.

In the event the foregoing Engine cycle limited part and time controlled component requirement set forth in clause (ii) of Section 8(b) hereof is not met, Lessee shall pay to Lessor with respect to each Engine for which said requirement is not met the dollar amount per part (or per component) obtained by multiplying (i) the ratio that the time (or cycles) accumulated since half time (or one-half the allowable cycles) bears to the time (or cycles) accumulated since half time (or one-half

the allowable cycles) bears to the time (or cycles) allowable between replacements by (ii) Lessor's cost of replacement of the part (or component). Lessor's cost of replacement of a part or component shall include Lessor's then current cost of purchasing the part or component itself and all of Lessor's then current costs associated with the replacement.

(e) Fuel; Records. Upon the return of the Aircraft, in accordance with this Section, (i) each fuel tank shall contain the same quantity of fuel as was contained in such tank when the Aircraft was delivered to Lessee on the Acceptance Date (which shall be presumed to be fifty percent (50%) of full capacity, unless otherwise specified in the Purchase Documents) or, in the case of differences in such quantity, an appropriate adjustment will be made at the then current market price of fuel, and (ii) upon such return, Lessee shall deliver to Lessor all Records. In the event any Records are missing or incomplete, Lessor shall have the right to cause any such Records to be reconstructed at the expense of Lessee.

(f) Storage. Upon the expiration or other termination of the Lease, Lessee will, if requested by Lessor, permit Lessor to store the Aircraft at the Primary Hangar Location as described in Schedule No. 2 to Lease Supplement No. 1. During such storage period Lessee will, at its own cost and expense, keep the Aircraft properly hangared, and will permit Lessor or any person designated by Lessor, including the authorized representative or representatives of any prospective purchaser, lessee or user of the Aircraft to inspect the same. Lessee shall not be liable, except in the case of negligence or intentional misconduct of Lessee or of its employees or agents, for injury to, or the death of, any person exercising, either on behalf of Lessor or any prospective purchaser, Lessee or user, the rights of inspection granted hereunder. Lessee shall bear the risk of loss and shall pay any and all expenses connected with insuring and maintaining the Aircraft during such storage period.

(g) Return of Engines. In the event that any engine not owned by Lessor shall be installed on the returned Airframe as set forth in paragraph (a) of this Section, then Lessee will, concurrently with such delivery, at its own expense and not at any cost to Lessor, furnish Lessor with a full warranty bill of sale, in form and substance satisfactory to Lessor, with respect to each such engine and with a written opinion of FAA Counsel to the effect that, upon such return, Lessor will acquire good and marketable title to such engine, free and clear of all Liens (except Lessor's Liens). Thereupon, unless a Default or Event of Default shall have occurred and be continuing, Lessor will transfer to Lessee, without recourse or warranty of any kind whatsoever (except as to Lessor's Liens) on an "AS-IS, WHERE-IS" BASIS WITHOUT ANY REPRESENTATION BY, OR RECOURSE OR WARRANTY TO, LESSOR, all of Lessor's right, title and interest in and to any Engine not installed on the Airframe at the time of the return of such Airframe.

(h) Inspection Prior to Return. Not more than ninety (90)

days prior to the expiration of the Lease, upon the written request of Lessor, Lessee shall, at its expense, review the maintenance records of the Aircraft to determine if the Aircraft is in the condition required by Section 8(a). Following such review, Lessee shall certify to Lessor that such Aircraft is in the condition required by Section 8(a) according to the maintenance records for such Aircraft, or, if the maintenance records so indicate, indicate what maintenance or repair is needed to bring the Aircraft to the specified condition.

(i) Survival. The provisions of this Section 8 shall survive the expiration or other termination of this Lease and the return of the Aircraft for any reason whatsoever for a period of three (3) years after any such expiration or other termination of this Lease.

(j) Injunctive Relief. Without limiting any other terms or conditions of this Lease, the provisions of this Section 8 are of the essence of this Lease, and upon application to any court of equity having jurisdiction, Lessor shall be entitled to a decree against Lessee requiring specific performance of the covenants of Lessee set forth in this Section 8.

SECTION 9. Liens.

Lessee will not directly or indirectly, voluntarily or involuntarily, create, incur, assume or suffer to exist any Liens on or with respect to the Aircraft or any part thereof, Lessor's title thereto or any interest of Lessor therein (and Lessee will promptly, at its own expense, take such action as Lessor deems necessary or advisable to duly discharge any such Lien), except Permitted Liens. In the event that Lessee fails to take action to discharge or remove any such Lien, Lessor may take such action as it deems necessary or appropriate to discharge or remove such Lien. Lessee shall reimburse Lessor on demand for any costs incurred by Lessor in connection with such action together with interest at the Late Payment Rate. Lessor's rights hereunder are in addition to, and not in derogation of, any other rights which Lessor may have hereunder, at law or in equity.

SECTION 10. Taxes.

Lessee agrees to (i) report, to the extent legally permissible (or if such reporting by Lessee is not legally permissible, then to prepare reports for filing by Lessor), (ii) pay when due and (iii) to defend and indemnify Lessor against liability for all license and registration fees, assessments, and sales, use, property, excise, privilege and other taxes (including any related interest or penalties) or other charges or fees now or hereafter imposed by any governmental body or agency upon any Equipment, or with respect to landing, airport use, manufacturing, ordering, shipment, purchase, ownership, delivery, installation, leasing, operation, possession, use, return, or other disposition thereof or the rentals hereunder (other than taxes on or measured solely by the net income of Lessor) ("Impositions"). Any fees, taxes or other lawful charges paid by Lessor upon failure of Lessee to make such payments shall

at Lessor's option become immediately due from Lessee to Lessor. Notwithstanding the foregoing, Lessee shall pay, indemnify Lessor for, and hold Lessor harmless on a net after-tax basis from and against, all Impositions on or measured by the net income of Lessor imposed against Lessor by any Federal, state, local or foreign government or other taxing authority if and to the extent that Lessor would not have incurred such Impositions but for the operation or presence of the Aircraft within the jurisdiction asserting an Imposition.

SECTION 11. Registration, Maintenance and Operation; Compliance and Use; Replacement Parts; Additions; Aircraft Marking.

(a) Registration, Maintenance and Operation. During the term of this Lease, Lessee, at its own cost and expense, shall (i) cause the Aircraft to be duly registered in the name of the Lessor under the Federal Aviation Act at all times; (ii) maintain, inspect, service, repair, overhaul and test the Airframe and each Engine in accordance with FAA approved and Manufacturer's recommended maintenance programs; (iii) maintain (in the English language) all Records and (iv) promptly furnish to Lessor such information as may be required to enable Lessor to file any reports required by any governmental authority as a result of Lessor's ownership of the Aircraft. All maintenance procedures required by Section 11, subparagraph (a)(ii) or any other provision of this Lease shall be performed in accordance with all FAA and Manufacturer's standards and procedures by properly trained, licensed, and certified maintenance sources and maintenance personnel utilizing replacement parts approved by the FAA and the Manufacturer, so as to keep the Airframe and each Engine in good operating condition, ordinary wear and tear alone excepted, and to enable the airworthiness certificate Aircraft to be continually maintained.

(b) Compliance and Use. Lessee shall operate the Aircraft in the conduct of its business and/or for commercial purposes and in a passenger configuration for which Lessee is duly authorized by the FAA and it will not operate or permit the Aircraft to be operated at any time or in any geographic area when or where insurance required by the provisions of Section 14 hereof shall not be in effect, or in a manner, for any time period, such that Lessor or a third party shall be deemed to have "operational control" of the Aircraft. Throughout the term of this Lease, the possession, use and maintenance of the Aircraft shall be at the sole risk and expense of Lessee and the Aircraft shall be based at the Primary Hangar Location set forth in Schedule No. 2 to Lease Supplement No. 1. At all times the Aircraft will be operated only by duly qualified, currently certificated pilots as required by the insurance policies required under this Lease. IN ADDITION, EXCEPT AS EXPRESSLY PERMITTED BY THE FOLLOWING PARAGRAPH, THE AIRCRAFT SHALL NOT BE OPERATED, USED OR LOCATED OUTSIDE THE CONTINENTAL UNITED STATES.

Notwithstanding the foregoing, Lessor agrees that the Aircraft may be flown temporarily to any country in the world in connection with the conduct of Lessee's business; provided, however, that in no event may the Aircraft temporarily fly, be operated, used or located in, to or over any

such country or area (1) which is excluded from coverage by any insurance policy in effect with respect to such Aircraft or by any insurance policy required by the terms of Section 14 hereof or any country or area not specifically and fully covered by such insurance; (2) in a recognized or threatened area of hostility unless fully covered to Lessor's satisfaction by hull, political, expropriation, hijacking and war risk insurance or (3) with which the United States of America does not maintain favorable diplomatic relations. Lessee further agrees that it shall not operate the Aircraft, or permit the Aircraft to be operated in any manner unless the insurance coverages set forth in Section 14 hereof are in full force and effect.

(c) Replacement Parts. Except as otherwise provided in the succeeding paragraph (d) of this Section, Lessee, at its own cost and expense, will promptly replace all Parts which may from time to time become worn out, lost, stolen, taken, destroyed, seized, confiscated, requisitioned, damaged beyond repair or permanently rendered or declared unfit for use for any reason whatsoever.

(d) Additions. Lessee shall be entitled from time to time during the term of this Lease to acquire and install on the Aircraft at Lessee's own cost and expense (and Lessor hereby appoints Lessee to be Lessor's agent for such purpose, so long as no Event of Default has occurred and is continuing), any additional accessory, device or equipment as may be available at such time ("Additions") but only so long as such Additions (i) are ancillary to the Aircraft, (ii) are not required to render the Aircraft complete for its intended use by Lessee, (iii) will not impair the originally intended function or use of the Aircraft or diminish the value of the same, (iv) can be readily removed without causing material damage to the Aircraft and (v) do not violate the provisions or Revenue Procedure 76-30, Revenue Procedure 79-48, Revenue Procedure 75-21, 1975-1 C.B. 715, or Revenue Procedure 79-48, 1979-2, C.B. 529 of the Code (as each of them, or all of them, may hereafter be modified or superseded) or any other Code Revenue Procedure, Section or Regulation. Title to Additions which are not removed by Lessee prior to the return of the Aircraft to Lessor shall vest in Lessor upon such return. Lessee shall repair all damage to the Aircraft resulting from such installation and removal of Additions so as to restore the Aircraft to its condition prior to installation, ordinary wear and tear excepted.

(e) Aircraft Marking. Lessee agrees, at its own cost and expense, to (i) cause the Airframe and the Engines to be kept numbered with the identification or serial number therefor as specified in Schedule No. 1 to Lease Supplement No. 1 hereof; (ii) prominently display on the Aircraft that "N" number, and only that "N" number, specified in Schedule No. 1 to Lease Supplement No. 1 or such other "N" number as has been approved in writing by the Lessor and duly recorded with the FAA; (iii) notify Lessor in writing thirty (30) days prior to making any change in the configuration (other than changes in configuration mandated by the FAA), appearance or coloring of the Aircraft from that in effect at the time the Aircraft is accepted by Lessee hereunder, and in the event of such change or modification of configuration, coloring or appearance, at

the request of Lessor to restore the Aircraft to the configuration, coloring and/or appearance in effect on the Acceptance Date or, at Lessor's option to pay to Lessor an amount equal to the reasonable cost of such restoration and (iv) affix and maintain in the Airframe adjacent to the airworthiness certificate and on each Engine a metal nameplate bearing the Aircraft Marking specified in Lease Supplement No. 2 and such other markings as from time to time may be required by law or otherwise deemed necessary or advisable by Lessor in order to protect the title of Lessor to the Aircraft and the rights of Lessor under this Lease. Lessee will not place the Aircraft in operation or exercise any control or dominion over the same until such Aircraft Markings have been placed thereon. Lessee will replace promptly any such Aircraft Marking which may be removed, defaced or destroyed.

SECTION 12. Inspection.

Lessor shall have the right, but not the duty, to inspect the Aircraft, any component thereof and/or the Records, at any reasonable time and from time to time, wherever located. Upon request of Lessor, Lessee shall confirm to Lessor the location of the Aircraft and shall, at any reasonable time and from time to time, make the Aircraft and/or the Records available to Lessor for inspection.

SECTION 13. Loss or Destruction.

(a) Event of Loss with Respect to the Aircraft. Upon the occurrence of any Event of Loss with respect to the Aircraft or any Part or Engine not then installed on such Aircraft, Lessee shall notify Lessor of any such Event of Loss within five (5) days of the date thereof. On the next Basic Rent Date following the date of such notice (or, if such Event of Loss occurs after the Last Basic Rent Date, within thirty (30) days after such notice), Lessee shall pay to Lessor any Rent then due, plus the Casualty Value of the Aircraft determined as of the Basic Rent Date immediately following the date of such Event of Loss, together with interest at the Late Payment Rate for the period (if any) from the Basic Rent Date following the date of such notice through the date of payment. Upon making such payment and all Rent due and owing, Lessee's obligation to pay further Basic Rent for the Aircraft subsequent to such payment shall cease, but Lessee's obligation to pay Supplemental Rent as well as any other amounts due under this Lease, if any, for the Aircraft shall remain unchanged. Except in the case of loss, permanent disappearance, destruction or Return to Manufacturer, Lessor shall be entitled to recover possession of the Aircraft, unless possession thereof is required to be delivered to a third party insurance carrier in order to settle an insurance claim. So long as Lessee has actually paid Lessor the applicable Casualty Value of the Aircraft and any and all other amounts required to be paid pursuant to the terms of this Lease concerning an Event of Loss, Lessee shall be entitled to any salvage value in excess of any such Casualty Value and any other amounts actually paid to Lessor. Lessor shall be under no duty to Lessee to pursue any claim against any Person in connection with an Event of Loss, but Lessee may at its own cost and expense and with Lessor's prior written consent pursue the same on behalf of Lessor in such manner as may be acceptable to Lessor.

Following the payment of the Casualty Value of the Aircraft in

accordance with the provisions of this subsection, Lessee, if possible, shall, as agent for Lessor, dispose of the Aircraft as soon as it is able to do so for the best price obtainable. Any such disposition shall be on an AS-IS, WHERE-IS BASIS WITHOUT ANY REPRESENTATION BY, OR RECOURSE OR WARRANTY TO, LESSOR, of any kind whatsoever. Lessee may, after actually paying Lessor all amounts required and/or specified in this subsection and in any other applicable terms of this Lease, retain all amounts in excess of the applicable Casualty Value of the Aircraft and any and all other amounts required to be paid pursuant to the terms of this Lease concerning an Event of Loss. In the event of a Return to Manufacturer, and so long as the Lessee has actually paid the Lessor the applicable Casualty Value of the Aircraft, together with any and all other amounts required to be paid pursuant to the terms of this Lease concerning an Event of Loss, Lessor agrees that Lessee shall receive and retain all amounts payable to Lessor by the Manufacturer in excess of any such Casualty Value of the Aircraft and any other amounts required to be paid by the Lessee concerning an Event of Loss. With respect to a Requisition of Use, and so long as the Lessee has actually paid the Lessor the applicable Casualty Value of the Aircraft, together with any and all other amounts required to be paid pursuant to the terms of this Lease concerning an Event of Loss, Lessor agrees that Lessee shall receive and retain all amounts paid by any governmental authority in excess of any such Casualty Value of the Aircraft and any and all other amounts required to be paid by the Lessee concerning an Event of Loss.

(b) Event of Loss with Respect to an Engine. Upon an Event of Loss with respect to any Engine under circumstances in which there has not occurred an Event of Loss with respect to the Airframe upon which such Engine was installed, Lessee shall give Lessor prompt written notice thereof and shall within thirty (30) days after the occurrence of such Event of Loss, duly convey to Lessor title to a similar engine of the name, make and model number as that suffering the Event of Loss. Such engine shall be free and clear of all Liens, have a value, utility, and useful life at least equal to, and (ii) be in as good an operating condition as, the Engine with respect to which such Event of Loss has occurred, assuming such Engine was of the value and utility and in the condition and repair required by the terms hereof immediately prior to the occurrence of such Event of Loss. Lessee, at its own cost and expense, shall furnish Lessor with such documents to evidence such conveyance as Lessor shall request. Upon full compliance by Lessee with the terms of this paragraph, Lessor will transfer to Lessee, without recourse, representation or warranty of any kind whatsoever, all of Lessor's right, title and interest, if any, in and to the Engine with respect to which such Event of Loss has occurred. SUCH TRANSFER SHALL BE "AS-IS, WHERE-IS" AND LESSOR SHALL NOT BE DEEMED TO HAVE MADE, AND LESSOR HEREBY DISCLAIMS, ANY REPRESENTATION OR WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO THE ENGINE SO TRANSFERRED TO LESSEE. Each such replacement engine shall, after such conveyance, be deemed an "Engine" as defined herein and shall be deemed part of the same Aircraft as was the Engine replaced thereby. No Event of Loss with respect to an Engine shall result in any reduction or delay in the payment of Basic Rent or relieve Lessee of any obligation under this Lease.

(c) Risk of Loss; no Release of Obligations. Except as provided in this Section 13, Lessee shall bear the risk of loss and shall not be

released from its obligations hereunder in the event of any damage to the Aircraft or any part thereof or any Event of Loss relating thereto.

SECTION 14. Insurance.

(a) Aircraft Liability and Property Damage Insurance. Lessee shall maintain at its own cost and expense for the entire Term with insurers satisfactory to Lessor, (i) comprehensive aircraft and general public liability insurance against bodily injury and property damage claims including, without limitation, contractual liability, premises damage, public liability, personal property liability, personal injury liability, death and property damage liability, public and passenger legal liability coverage in an amount not less than \$50,000,000.00 for each single occurrence and (ii) such other property damage insurance with respect to the Aircraft as is of the type and in the amounts usually carried by companies engaged in the same or a similar business as Lessee and which covers risks of the kind customarily insured against by such companies. Lessee shall also provide worker's compensation insurance with all-states coverage for the Aircraft's crew and maintenance personnel.

(b) Insurance Against Loss or Damage to the Aircraft. Lessee shall maintain at its own cost and expense for the entire Term with insurers satisfactory to Lessor, all-risk ground and flight aircraft hull insurance covering the Aircraft, including foreign object damage, fire and explosion coverage, cargo, environmental, ingestion and lightning and electrical damage and comparable insurance with respect to any Engines or Parts while removed from the Aircraft, and with respect to any engines or parts while temporarily installed on the Aircraft, provided that such insurance shall at all times be in an amount not less than the Casualty Value of the Aircraft (such amount determined at the Rent Commencement Date and at each anniversary thereof for the next succeeding year throughout the Term of this Lease). Lessee shall maintain in effect hijacking (air piracy) insurance with respect to the Aircraft in a face amount of not less than the Casualty Value of the Aircraft (determined as described herein), which shall be in full force and effect worldwide throughout any geographical areas at any time traversed by the Aircraft. Such insurance shall also include war risk, governmental confiscation and expropriation and related insurance.

(c) Lessor as Additional Insured; Notice. Any policies of insurance carried in accordance with this Section and any policies taken out in substitution or replacement or any such policies (i) shall be amended to name Lessor as the owner of the Aircraft and as additional insured as its interests may appear, (ii) with respect to insurance carried in accordance with paragraph (b) of this Section 14 covering the Aircraft, shall provide that any amount payable thereunder which exceeds \$250,000.00 in the aggregate shall be paid directly to Lessor as sole loss payee and not to Lessor and Lessee jointly (and, so long as no Event of Default has occurred, such amounts shall be disbursed by Lessor to Lessee or other appropriate Persons in payment of the costs actually incurred with respect to repairs made to the Aircraft so as to restore it to the operating condition required by Section 11 hereof, or shall be disbursed by Lessor as otherwise required by the Lease), and that, provided no Default or Event of Default has occurred and is continuing, any amount(s) of less than \$250,000.00 in the aggregate shall be paid to

Lessee (and such amounts shall be applied by Lessee to pay the costs of such repairs), (iii) shall provide for thirty (30) days written notice by such insurer of cancellation, change, non-renewal or reduction and (iv) shall provide that in respect of the interests of Lessor in such policies, the insurance shall not be invalidated by any action or inaction of Lessee regardless of any breach or violation of any warranties, declarations or conditions contained in such policies by or binding upon Lessee. Each shall be primary insurance, not subject to any co-insurance clause and shall be without right of contribution from any other insurance. Lessee shall arrange for appropriate certification as to the satisfaction of the requirements set forth above in this Section 14 to be delivered to Lessor not later than the Acceptance Date by each such insurer or underwriter therefor, which certification shall specifically acknowledge that the insurance is in conformity with this Section 14. Notwithstanding the foregoing, Lessee shall promptly provide Lessor with a copy of each policy of insurance required hereunder if it so requests.

(d) Reports, etc. Annually on the anniversary of the Acceptance Date, Lessee shall furnish to Lessor a report describing in reasonable detail the insurance then carried and maintained on the Aircraft and certifying that such insurance complies with the terms hereof and, if Lessor shall so request, a copy of each applicable policy. In the event Lessee shall fail to maintain insurance as herein provided, Lessor may, at its option, provide such insurance, and Lessee shall, upon demand, reimburse Lessor for the cost thereof, together with interest at the Late Payment Rate from the date of payment through the date of reimbursement.

(e) Agreed Value. Anything herein to the contrary notwithstanding, at all times while the Aircraft is subject to this Lease, the insurance required hereunder shall be for an amount on an "agreed value" basis not less than the higher of the Casualty Value or the Lessor's Cost.

(f) No Right To Self-Insure. Lessee shall not self-insure (by deductible, premium adjustment, or risk retention arrangement of any kind) the insurance required to be maintained hereunder, except to the extent of deductibles usually and customarily maintained by companies engaged in the same or similar business as Lessee and operating the same or similar aircraft, but in no event shall any deductible exceed the Permitted Deductible amount on Schedule No. 2-A to Lease Supplement No. 1. Lessee hereby irrevocably appoints Lessor as Lessee's attorney-in-fact to file, settle or adjust, and receive payment of claims under any such insurance policy and to endorse Lessee's name on any checks, drafts or other instruments on payment of such claims. Lessee further agrees to give Lessor prompt notice of any damage to or loss of, the Equipment, or any part thereof.

(g) Attorney-in-Fact. Lessee irrevocably appoints Lessor (and any assignee, mortgagee and/or lender of the Lessor) its attorney-in-fact to act in Lessee's name and on its behalf to make, execute, deliver and file any instruments or documents, settle, receive payment, make claim or proof of loss and to take any action as Lessor (and any such assignee, mortgagee and/or lender) deems necessary or appropriate to carry out the intent of this Section 14 or any agreements, documents or instruments related thereto; provided, however, that the Lessor agrees that it shall

not exercise its rights as an attorney-in-fact with regard to this Section 14 unless or until a Default or an Event of Default shall have occurred under this Lease and shall be continuing. To the extent appropriate or permissible under applicable law, such appointment is coupled with an interest, shall be irrevocable and shall terminate only upon payment in full of the obligations set forth in this Lease and/or any agreements, documents or instruments related thereto.

SECTION 15. Indemnification.

Lessee assumes liability for, and hereby agrees to indemnify, protect, save, defend and keep harmless Lessor, its agents, employees, officers, directors, shareholders, subsidiaries, affiliates, successors and assigns (collectively "Lessor"), on a net after-tax basis, from and against any and all liabilities, obligations, losses, damages, penalties, claims (including, without limitation, claims involving or alleging product liability or strict or absolute liability in tort), actions, suits, demands, costs, expenses and disbursements (including, without limitation, legal fees and expenses) of any kind and nature whatsoever ("Claims") which may be imposed on, incurred by or asserted against Lessor, whether or not Lessor shall also be indemnified as to any such Claim by any other Person, in any way relating to or arising out of this Lease or any documents contemplated hereby, or the performance or enforcement of any of the terms hereof or thereof, or in any way relating to or arising out of the assertion or enforcement of any manufacturer's, vendor's or dealer's warranties on the Aircraft or any part thereof, (including, without limitation, any warranty of any Manufacturer or Supplier), the manufacture, inspection, construction, purchase, acceptance, rejection, ownership, titling or re-titling, delivery, lease, sublease, possession, use, operation, maintenance, condition, registration or re-registration, sale, return, removal, repossession, storage or other disposition of the Aircraft or any part thereof or any accident in connection therewith (including, without limitation, latent and other defects, whether or not discoverable, and any Claim for patent, trademark or copyright infringement).

Notwithstanding the foregoing, Lessee shall not be required to indemnify Lessor for (a) any Claim caused by the gross negligence or willful misconduct of the Lessor or (b) any Claim in respect of the Aircraft arising from acts or events which occur after (x) possession of the Aircraft has been redelivered to Lessor (which return and delivery shall be in full and complete compliance with the terms of this Lease, including, without limitation, Section 8) and (y) any and all other obligations of any kind whatsoever of the Lessee under this Lease have been fully paid and/or performed, as the case may be, unless any such Claims were caused by Lessee (or any stockholder, director, officer, employee, successor, assignee, agent or servant of the Lessee) or resulted or arose, directly or indirectly, from any acts, events or omissions of any kind whatsoever during the Term of this Lease.

WITHOUT LIMITING THE GENERALITY OF THE TERMS OF THIS LEASE, LESSEE AGREES THAT LESSOR SHALL NOT BE LIABLE TO LESSEE FOR ANY CLAIM CAUSED DIRECTLY OR INDIRECTLY BY THE INADEQUACY OF THE AIRCRAFT OR ANY PART THEREOF FOR ANY PURPOSE OR ANY DEFICIENCY OR DEFECT THEREIN OR THE USE OF MAINTENANCE THEREOF OR ANY REPAIRS, SERVICING OR ADJUSTMENTS THERETO OR

ANY DELAY IN PROVIDING OR FAILURE TO PROVIDE ANY OF THE SAME OR ANY INTERRUPTION OR LOSS OF SERVICE OR USE THEREOF OR ANY LOSS OF BUSINESS, OR PROFITS ALL OF WHICH SHALL BE THE SOLE RISK AND RESPONSIBILITY OF LESSEE.

The liability of Lessee to make indemnification payments pursuant to this Section 15 shall, notwithstanding any expiration or other termination (whether voluntary, as the result of Default or Event of Default, or otherwise) of this Lease, continue to exist until such indemnity payments are irrevocably made by Lessee in full and received by Lessor. If any Claim is made against Lessee or Lessor, the party receiving notice of such Claim shall promptly notify the other, but the failure of the party receiving notice to so notify the other shall not relieve Lessee of any obligation hereunder.

SECTION 16. Assignment and Sublease.

LESSEE SHALL NOT SELL, TRANSFER, ASSIGN, CHARTER, SUBLEASE, CONVEY, PLEDGE, MORTGAGE OR OTHERWISE ENCUMBER ITS OR LESSOR'S INTEREST IN AND TO THIS LEASE OR THE AIRCRAFT, AND ANY SUCH SALE, TRANSFER, ASSIGNMENT, CHARTER, SUBLEASE, CONVEYANCE, PLEDGE, MORTGAGE OR ENCUMBRANCE, WHETHER BY OPERATION OF LAW OR OTHERWISE, WITHOUT THE PRIOR WRITTEN CONSENT OF LESSOR SHALL BE NULL AND VOID. IN ADDITION, LESSEE SHALL NOT ENTER INTO ANY INTERCHANGE AGREEMENT AFFECTING THE AIRCRAFT OR RELINQUISH POSSESSION OF THE AIRFRAME OR ANY ENGINE OR INSTALL ANY ENGINE OR PART, OR PERMIT ANY ENGINE OR PART TO BE INSTALLED, ON ANY AIRFRAME OTHER THAN THE AIRFRAME LEASED HEREUNDER EXCEPT AS EXPRESSLY SET FORTH HEREIN. No acceptance, assignment, subletting, relinquishment or installation shall in any event relieve Lessee of primary, absolute and unconditional liability for its duties and obligations under this Lease except as otherwise expressly provided pursuant to the terms of this Lease.

Notwithstanding the foregoing, provided no Event of Default or Default has occurred and is continuing, Lessee may assign all of its right, title and interest in and to this Lease, any schedules, supplements, instruments, documents or agreements executed and/or delivered in connection with this Lease and the Aircraft to the Permitted Assignee only pursuant to the following terms and conditions:

1. Permitted Assignee shall assume and agree to perform all of the duties, representations, warranties, agreements, obligations and liabilities of the Lessee in, to and under this Lease, any schedules, supplements, instruments, documents or agreements executed and/or delivered in connection with this Lease and the Aircraft to the same extent as if the Permitted Assignee had executed this Lease and any schedules, supplements, instruments, documents or agreements executed and/or delivered in connection with this Lease. Without limiting the generality of the foregoing, Permitted Assignee shall further agree to be bound by all of the terms and conditions of this Lease and any schedules, supplements, instruments, documents or agreements executed and/or delivered in connection with this Lease, and also accept all of the Lessee's rights, interest, duties, representations, warranties, agreements, obligations and liabilities thereunder.

2. Lessee and the Permitted Assignee shall deliver to Lessor a certain Assignment and Assumption Agreement ("Agreement") which Agreement shall be in the form attached hereto and made a part hereof as Exhibit D, and Lessee and Permitted Assignee shall also execute and deliver to Lessor any other agreements, acknowledgements and instruments (including, without limitation, FAA recording documents and UCC financing statements) as Lessor may reasonably require, which agreements, acknowledgements and instruments shall be in form and substance satisfactory in all respects to the Lessor. Lessee and Permitted Assignee shall further agree to take such other actions as are deemed necessary by Lessor to effect the terms and conditions of this Section 16.
3. Such other terms and conditions relating to any Agreement as Lessor deems necessary and appropriate.
4. Provided that the Lessee and the Permitted Assignee fully comply with the foregoing terms and conditions, the Lessee only shall be released from any liability or obligations under this Lease, effective as of the date of the Agreement.

In the event of any permitted assignment to the Permitted Assignee pursuant to the foregoing terms and conditions, the Permitted Assignee shall be deemed the "Lessee" under this Lease for all purposes and the Permitted Assignee shall fully comply with all of the terms and conditions of this Lease and any schedules, supplements, instruments, documents or agreements executed and/or delivered in connection with this Lease. Without limiting the generality of the foregoing, the Permitted Assignee shall not be permitted to assign or otherwise transfer or encumber in any way whatsoever any of its right, title and interest in and to this Lease, any schedules, supplements, instruments, documents or agreements executed and/or delivered in connection with this Lease and/or the Aircraft except as expressly provided in this Lease.

Lessor, may at any time, without notice to Lessee, mortgage, grant a security interest in or otherwise transfer, sell or assign all or any part of its interest in this Lease or the Aircraft or any Rent or other sums due or to become due hereunder and Lessee shall perform all of its obligations under this Lease for the benefit of such assignee, lender, creditor, mortgagee, transferee or Person except that the interest of any such assignee, lender, creditor, mortgagee, transferee or Person shall be subject to Lessee's rights of use and possession, quiet enjoyment, renewal rights, and purchase options, if any, hereunder, so long as no Default or Event of Default has occurred and is continuing hereunder. Lessee agrees that the rights hereunder of any such assignee, lender, creditor, mortgagee, transferee or Person shall not be subject to any defense, setoff, recoupment, abatement, reduction, claim or counterclaim (collectively the "Defenses") that Lessee has or may at any time have against Lessor for any reason whatsoever and Lessee hereby waives any right to assert at any time any of the foregoing Defenses against any such assignee, lender, creditor, mortgagee, transferee or Person. Lessee further agrees that any such assignee, lender, creditor, mortgagee, transferee or Person shall have all of Lessor's rights hereunder, but none of the Lessor's obligations or duties. Lessee acknowledges that any

such assignment, transfer or sale will not materially change its duties or materially increase its burdens or risks hereunder and that any such assignment, transfer or sale shall be permitted even if the assignment, transfer or sale would be deemed to materially affect the Lessee's interests hereunder. Lessee further agrees, if so directed in writing by the Lessor or any assignee, lender, creditor, mortgagee, transferee or Person of the Lessor, to, among other things, pay any sums due or to become due hereunder directly to the assignee, lender, creditor, mortgagee, transferee or Person or any other party designated in writing by Lessor or any such assignee, lender, creditor, mortgagee, transferee or Person. Upon the request of Lessor or any such assignee, lender, creditor, mortgagee, transferee or Person of the Lessor, Lessee also agrees (i) to promptly execute and deliver to Lessor or to such assignee, lender, creditor, mortgagee, transferee or Person an acknowledgement of assignment in form and substance satisfactory to the requesting party which, among other things, reaffirms the basic terms and conditions of this Lease and (ii) to comply with the reasonable demands of any such assignee, lender, creditor, mortgagee, transferee or Person in order to perfect any such assignment or transfer. Notwithstanding the foregoing, in the event that the Lessee is required by the Lessor to pay any sums due or to become due hereunder directly to any assignee, lender, creditor, mortgagee, transferee or Person or any other party designated in writing by Lessor or the Lessee is required to change its insurance coverage in order to name any such assignee, lender, creditor, mortgagee, transferee or Person or any other party designated in writing by Lessor, the Lessee shall be provided written notice of any such requirement.

This Lease, including all agreements, covenants, representations and warranties, shall be binding upon and inure to the benefit of, and may be enforced by (a) Lessor and its successors, assigns (including, without limitation, all parties referred to in Section 16), agents and servants and (b) Lessee and its successors and, to the extent expressly permitted by Lessor, assigns.

SECTION 17. Tax Indemnification.

(a) Assumed Tax Benefits. In entering into this Lease and the transactions contemplated hereby, Lessor has assumed that it would be entitled, for Federal, state and local income tax purposes, to the following tax benefits (collectively referred to as the "Assumed Tax Benefits"): (i) cost recovery deductions for Federal income tax purposes pursuant to Section 168 of the Code (and depreciation or cost recovery deductions for Rhode Island state income tax purposes) with respect to the Aircraft, commencing in Lessor's taxable year which includes the Acceptance Date, using an initial basis at least equal to the Lessor's Cost of the Aircraft, the 200% declining balance method of depreciation (switching to the straight-line method when required by Section 168(b)(1) of the Code), the half-year convention, a Recovery Period for the Aircraft as set forth on Schedule No. 2 to Lease Supplement No. 1 and a salvage value of zero (the "Recovery Deductions") and (ii) deductions for interest payable with respect to any indebtedness incurred by Lessor in connection with any financing by Lessor of any portion of the Lessor's Cost of the Aircraft (the "Interest Deduction"). Lessor has also assumed that its income would be taxed for Federal, state and local corporate income and franchise tax purposes at an effective combined tax rate of

40.525% (the "Assumed Tax Rate").

(b) Lessee's Tax Representations and Warranties. Lessee represents and warrants to Lessor that (i) upon delivery and acceptance of the Aircraft under this Lease, the applicable recovery period for the Aircraft under Section 168 of the Code shall be equal to the Recovery Period set forth on Schedule No. 2 to Lease Supplement No. 1 and Lessor shall be entitled to all Recovery Deductions and all other applicable assumed tax benefits with respect to the Aircraft; (ii) the Aircraft will not constitute property used predominantly outside the United States and, except as expressly permitted herein, be physically located within the continental United States at all times during the term of this Lease; (iii) on the Acceptance Date of this Lease, the Aircraft will require no improvements, modifications or additions (other than ancillary items of equipment which are readily removable without causing material damage to the Aircraft and which are of a kind customarily selected and furnished by purchasers or Lessees of similar aircraft) in order to be rendered complete for its intended use by Lessee; (iv) neither Lessee nor any affiliate of Lessee nor any agent or employee of any of the foregoing nor any other Person (other than the Lessor) will at any time take any action or fail to take any action (whether or not such act or failure to act is otherwise permitted by this Lease) if such action or failure to act would result in a Tax Loss (as defined below); (v) Lessee and each member of any group of corporations with which Lessee files consolidated, combined or unitary income or franchise tax returns will file such returns, execute such documents and take such other action as this Lease may require or Lessor may reasonably request to facilitate the realization by Lessor of the assumptions stated in this Section 17; (vi) the remaining useful life of the Aircraft at the end of the Term shall be not less than twenty percent (20%) of the originally estimated useful life of the Aircraft; (vii) at the end of the Term the fair market value of the Aircraft will be an amount equal to at least twenty percent (20%) of the Lessor's Cost thereof, without including in such value any increase or decrease for inflation or deflation during the Term, and after subtracting from such value any cost to Lessor for removal and delivery of possession of the Aircraft to Lessor at the end of the Term; (viii) the Aircraft will be useful or usable by Lessor at the end of the Term for purposes other than continued leasing by or transfer to any member of the Lessee Group (as such term is defined in Code Revenue Procedure 75-21); (ix) the Aircraft is not (and will not become) during the Term property described in Section 168(g)(1) of the Code (i.e., property subject to the alternative depreciation system); (x) Lessor's basis in the Aircraft initially will equal the Lessor's Cost plus allocable transaction costs; and (xi) Lessee will deduct all rental payments under the Lease when and as paid or accrued under the terms of the Lease, without application of Section 467(b)(2) through (5) of the Code.

(c) Indemnity. (A) if by reason of (i) any act or failure to act of Lessee (regardless of whether any such act or failure to act is permitted or required by the terms of this Lease or otherwise), (ii) the breach of or inaccuracy in law or in fact of any of Lessee's representations and warranties set forth in paragraph (b) of this Section 17 or the breach of any of Lessee's representations and warranties set forth in this Lease, any certificate or document delivered by Lessee in connection with the delivery and acceptance of the Aircraft or (iii) the

sale or other disposition of the Aircraft or the interest of Lessor therein after the occurrence of an Event of Default, Lessor shall lose or shall not have the right to claim, or shall suffer a disallowance or recapture of, or delay in claiming, all or any portion of the Recovery Deductions or (if Lessor finances any portion of the Lessor's Cost) the Interest Deduction, with respect to the Aircraft, (B) if, for Federal, foreign, state or local income tax purposes, any item of income, loss or deduction with respect to the Aircraft is treated as derived from, or allocable to, sources outside the United States (whether or not any foreign income taxes imposed as a result thereof may be credited against Federal, state or local income taxes of Lessor), (C) if there shall be included in Lessor's gross income for Federal, state or local income tax purposes any amount on account of any addition, modification or improvement to or in respect of the Aircraft made or paid for by Lessee, (D) if there shall be included in Lessor's gross income for Federal, state or local income tax purposes any amount in respect of Rent before such Rent has accrued under the terms of this Lease or (E) if as a result of any change in the Code or the regulations promulgated thereunder or any administrative or judicial interpretations thereof, including, without limitation, a change in the Assumed Tax Rate, or a change in any state tax law, the regulations promulgated thereunder or any administrative or judicial interpretations thereof, Lessor shall lose, shall not have the right to claim or there shall be disallowed or recaptured with respect to the Lessor, all or a portion of the Assumed Tax Benefits with respect to the Aircraft (any such loss, failure to have or loss of the right to claim, disallowance, recapture, delay, treatment, inclusion or economic detriment referred to in any of the foregoing clauses (A) through (E) of this paragraph (c) being hereinafter called a "Tax Loss"), then a Tax Loss shall be deemed to have occurred, and the Basic Rent for the Aircraft shall, on the Basic Rent Date next following written notice by Lessor to Lessee that a Tax Loss has occurred and on each succeeding Basic Rent Date, be increased by such amount which, after deduction of all taxes required to be paid by Lessor as a result of Lessor's receipt of such increased amount of Basic Rent under the laws of the United States, any state or any political subdivision thereof or any foreign taxing authority, will maintain Lessor's after-tax economic yield and overall net after-tax cash flows in respect of the Aircraft at a level which is not less than the same level that would have been available if such Tax Loss had not occurred. In addition, Lessee shall pay to Lessor an amount which, after the deduction of any additional taxes required to be paid by lessor in respect of Lessor's receipt of such amount, shall be equal to the amount of any interest, penalty or additions to tax which may be imposed in connection with such Tax Loss. In the event that the Term with respect to the Aircraft is terminated prior to the time Lessee is obligated to make the increased Basic Rent payments to Lessor with respect to the Aircraft as set forth in the secondary preceding sentence, or in the event Lessor shall, by written notice to Lessee, elect to have such indemnity paid to Lessor in a lump sum payment, then, in either event, Lessee shall pay to Lessor, within thirty (30) days from the date of such written notice by lessor to Lessee, in lieu of the increased Basic Rent payment or payments set forth in the preceding sentence, such lump sum as shall (after deduction of all taxes required to be paid by Lessor as a result of Lessor's receipt of such payment under the laws of the United States, any state or any political subdivision thereof or any foregoing taxing authority) be

necessary to maintain Lessor's after-tax economic yield and overall net after-tax cash flows in respect of the Aircraft at a level which is not less than the same level that would have been available if such Tax Loss had not occurred, and Lessee shall also pay to Lessor an amount which, after the deduction of any additional taxes required to be paid by Lessor in respect of Lessor's receipt of such amount, shall be equal to the amount of any interest, penalty or additions to tax which may be imposed in connection with any such Tax Loss. In the event any indemnity payments shall be paid to Lessor under this Section 17 with respect to the Aircraft, the Casualty Value and/or Termination Amount, if applicable, of the Aircraft shall be adjusted appropriately. The indemnification obligations of Lessee under this Section 17 shall survive the expiration or termination of this Lease and the Term.

(d) Consolidated Tax Returns; Lessor's Assigns. For purposes of this Section 17, the term "Lessor" will include the corporation constituting Lessor, its successors in interests, each assignee and each of their respective successors in interest and assigns and any Consolidated Group (hereinafter defined) of which Lessor or any such assignee or any of their respective successors in interests or assigns is, or any become a member, and each member of such Consolidated Group. As used in this Paragraph (d) the term "Consolidated Group" means an affiliated group (within the meaning of Section 1504 of the Code) that files consolidated returns for Federal income tax purposes and any group filing combined, unitary or consolidated returns pursuant to the rules of any state taxing authority.

SECTION 18. Events of Default.

The term "Event of Default", wherever used herein, shall mean any of the following events or circumstances (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary, or come about or be effected by operation of law, or be pursuant to or in compliance with any judgment, decree or order of any court or any order, rule or regulation or any administrative or governmental body):

(a) Lessee shall fail to make any payment of Rent, Casualty Value, Termination Amount, if applicable, and/or any amount due pursuant Section 23 hereof within ten (10) days after any or all of the same shall become due and payable, or, upon demand, any other amount required to be paid herein or under any other agreement with Lessor; or

(b) Lessee shall fail to keep in full force and effect any of the insurance required under this Lease, or shall operate the Aircraft at a time when, or at a place in which, such insurance shall not be in effect; or

(c) Lessee shall fail to perform or observe any covenant, condition or agreement, (other than those specifically referred to in this Section 18) required to be performed or observed by it under this Lease or any agreement, document or certificate delivered by Lessee in connection herewith, and such failure shall continue for ten (10) days after written notice thereof from Lessor to Lessee; or

(d) any material representation or warranty made by Lessee herein

or in any certificate, agreement, statement or document hereto or hereafter furnished to Lessor in connection herewith, including without limitation, any financial information disclosed to Lessor, shall prove to be or to have been false or incorrect in any material respect; or

(e) the commencement of any bankruptcy, insolvency, arrangement, reorganization, receivership, liquidation or other similar proceeding by or against Lessee or any of its properties or businesses, the appointment of a trustee, receiver, liquidator or custodian for Lessee or any of its properties of business, if Lessee suffers the entry of an order for relief under Title 11 of the United States Code or the making by Lessee of a general assignment or deed of trust for the benefit of creditors; or

(f) Lessee shall default in any payment or other obligation to any third party and any applicable grace or cure period with respect thereto has expired; or

(g) Lessee sells, transfers or disposes of all or substantially all of its respective stock, assets or property, merges with or into any other entity or engages in any form of corporate reorganization, becomes the subject of, or engages in, a leveraged buy-out or the Lessee shall terminate its existence by merger, consolidation or sale of substantially all of its assets or otherwise; or

(h) if Lessee is a privately held corporation, and more than 50% of Lessee's voting capital stock or effective control of Lessee's voting capital stock issued and outstanding from time to time is not retained by the holders of such stock on the date of this Lease; or

(i) if Lessee is a publicly held corporation, there shall be a change in the ownership of Lessee's stock such that Lessee is no longer subject to the reporting requirements of the Securities Exchange Act of 1934 or no longer has a class of equity securities registered under Section 12 of the Securities Act of 1933; or

(j) Lessee shall generally fail to pay its debts as they became due and such failure shall continue for three (3) Business Days after written notice by Lessor or Lessee shall admit its inability to pay its debts or obligations generally as they fall due; or

(k) Lessor shall determine, in its sole discretion and in good faith, that there has been a material adverse change in the business, operations or financial condition of the Lessee since the date of this Lease or that Lessee's ability to make any payment hereunder promptly when due or otherwise comply with the terms of this Lease or any other agreement between Lessor and Lessee is impaired; or

(l) Lessee shall fail to return the Aircraft to Lessor at the end of the Term in accordance and in compliance with Section 8 hereof, the Aircraft shall be abused, substantially damaged or destroyed or Lessor shall reasonably deem the Aircraft unsafe or at risk; or

(m) Lessee shall or shall attempt to remove, sell, transfer, charter, convey, pledge, mortgage, encumber, part with possession of, assign or sublet the Aircraft or any part thereof, use the Aircraft for

an illegal purpose or permit the same to occur or Lessee shall create, incur, assume or suffer to exist any Lien (other than Permitted Liens) with respect to the Aircraft, this Lease or Lessor's interests thereunder; or

(n) if Lessee shall not be at any time a wholly-owned subsidiary of Western; or

(o) any event or condition set forth in subsections (d) through (i) of this Section 18 shall occur with respect to any affiliated person, firm or entity controlling, controlled by or under common control with Lessee; or

(p) the Letter of Credit shall terminate or expire for any reason whatsoever or there is any breach of, or any failure to comply with, any term or condition of Section 27 of this Lease; or

(q) the line of credit provided by Western to the Lessee pursuant to the Letter Agreement shall terminate or expire without sixty (60) days prior written notice of the same being provided to the Lessor.

Lessee shall promptly notify Lessor of the occurrence of any Default or Event of Default.

SECTION 19. Remedies.

(a) Upon the occurrence of any Event of Default and so long as the same shall be continuing, Lessor may, at its option, declare this Lease to be in default (provided that no such declaration shall be a condition to any suit against Lessee for specific performance of a defaulted covenant or for damages in respect of such default upon such occurrence or at any time thereafter), and at any time thereafter, whether or not such Event of Default shall be continuing, Lessor may exercise any one or more of the following remedies, as Lessor in its sole discretion shall lawfully elect:

(i) Proceed by appropriate court action, either at law or in equity, to enforce performance by Lessee of the applicable covenants of this Lease or to recover damages for breach thereof.

(ii) By notice terminate this Lease, whereupon all rights of Lessee to the use of the Aircraft or any part thereof shall absolutely cease and terminate but Lessee shall remain liable as hereinafter provided and thereupon Lessee, if so requested by Lessor, shall (a) at its expense promptly return the Aircraft to the possession of Lessor at such place as Lessor shall designate and in the condition required upon the return thereof pursuant to and in accordance with the terms of this Lease, (b) Lessor, at its option, may enter upon the premises where the Aircraft is located and take immediate possession of and remove the same, together with any Engines and Parts by self-help, summary proceedings or otherwise without any liability of any kind whatsoever on the part of Lessor for or by reason of such entry or taking of possession and Lessee hereby waives any cause of action it may have arising from, or in connection with, the foregoing or (c) Lessee will provide storage as set forth in this Lease. In addition, upon the written request of Lessor,

Lessee, at its expense, will replace any engine installed on the Airframe with an Engine. Lessee shall, without further demand, forthwith pay to Lessor an amount equal to any unpaid Rent due and payable for all periods up to and including the Basic Rent Date following the date on which Lessor has declared this Lease to be in default, plus, as liquidated damages for loss of a bargain and not as a penalty, an amount equal to the Casualty Value of the Aircraft, computed as of the Basic Rent Date immediately following the date on which Lessor has declared this Lease to be in default (plus all costs, charges and expenses including, legal fees and disbursements incurred by Lessor by reason of the occurrence of any Event of Default or the exercise of any of Lessor's remedies with respect thereto or otherwise). Following the return of the Aircraft to Lessor pursuant to this subparagraph (ii), Lessor shall proceed at its option to sell or otherwise dispose of the Aircraft by public or private sale, with or without notice, and without having the Aircraft present at the place of sale and in such manner as it shall deem appropriate, provided that Lessor, if it so elects, may purchase the Aircraft at such sale for a price not less than the highest bona fide bid given by a Person unrelated to Lessee. Lessee waives all its rights under laws governing such sale to the extent permitted by law. Lessor may apply any deposit or other cash collateral or sale or remarketing proceeds of the Aircraft at any time to reduce any amounts due to Lessor. Notwithstanding the foregoing, Lessor may at its option and in its sole discretion keep idle, lease, or use or operate all or part of the Aircraft without any liability whatsoever and may use Lessee's premises for storage pending lease or sale or for holding a sale without liability for rent or costs or any other matter whatsoever. The net proceeds of such sale or lease as provided above shall be applied by Lessor (x) first, to pay all costs, charges and expenses, including the cost of discharging all Liens, on the Aircraft and all legal fees and disbursements incurred by Lessor as a result of the Event of Default and/or the exercise of its remedies with respect thereto, (y) second, to pay to Lessor an amount equal to any unpaid Rent due and payable and the Casualty Value, to the extent not previously paid and (z) third, to reimburse Lessee for the Casualty Value to the extent paid by Lessee as liquidated damages. Any surplus remaining thereafter shall be retained by Lessor. To the extent that all Rent then due and payable with respect to the Aircraft and the Casualty Value have not been previously paid, Lessee shall forthwith pay upon demand to Lessor the sum of (A) the amount by which (1) the sum of (aa) all Rent then due and payable with respect to the Aircraft, (bb) the Casualty Value or portion thereof not theretofore paid and (cc) the amount payable under clause (x) of the preceding sentence exceeds (2) the net proceeds of the sale or lease of the Aircraft actually received by the Lessor and (B) interest at the Late Payment Rate on the full amount of said Casualty Value and Rent then due and unpaid, computed from the date such sums are due until the same are paid by Lessee. For purposes of computing liquidated damages under this subparagraph (ii) only, the proceeds of any releasing of the Aircraft shall be determined by discounting to present value, at the rate of twelve and one-half percent (12.5%) per annum, the periodic rentals which are payable to Lessor pursuant to such re-lease, up to and including the Expiration Date.

(b) Lessee shall be liable for all costs, charges and expenses, including legal fees and disbursements, incurred by Lessor by reason of the occurrence of any Event of Default, the exercise of any of Lessor's

rights or remedies with respect thereto or otherwise.

(c) Lessee hereby waives, to the maximum extent now or hereafter permitted by applicable law, for itself and for its successors or assigns any and all rights Lessee or Lessee's successors or assigns may have following an Event of Default under any bankruptcy, insolvency or similar laws, rules or regulations with respect to the continued possession or use of the Aircraft or relief from the payment of Rent therefor or otherwise with respect to this Lease. Rejection of this Lease by any bankruptcy trustee or debtor-in-possession shall entitle Lessor to the immediate return of the Aircraft and to liquidated damages calculated in the manner provided for in Section 19(a)(ii) above with respect to an Event of Default.

(d) No right or remedy referred to herein is intended to be exclusive, but each shall be cumulative and in addition to any other right or remedy referred to above or otherwise available to Lessor at law or in equity, including, without limitation, such rights and/or remedies as are provided for in the UCC. No express or implied waiver by Lessor of any Default or Event of Default hereunder shall in any way be, or be construed to be, a waiver of any future or subsequent Default or Event of Default. The failure or delay of Lessor in exercising any rights granted it hereunder upon the occurrence of any of the contingencies set forth herein shall not constitute a waiver of any such right upon the continuation or reoccurrence of any such contingencies or similar contingencies, and any single or partial exercise of any particular right by Lessor shall not exhaust the same or constitute a waiver of any other right provided for or otherwise referred to herein.

(e) To the extent permitted by applicable law, Lessee hereby waives any rights now or hereafter conferred by statute or otherwise which may require Lessor to sell, lease or otherwise use the Aircraft in mitigation of Lessor's damages as set forth in this Section 19 or which may otherwise limit or modify any of Lessor's rights or remedies under this Section 19. To the extent permitted by applicable law, Lessee waives any and all rights and remedies conferred upon a lessee by Section 2A-508 to 2A-522 (inclusive) of the UCC, including, without limitation, any rights of Lessee (a) to cancel or repudiate this Lease or any supplement or any document relating thereto, (b) to reject or evoke acceptance of the Aircraft or any component thereof and (c) to recover from Lessor any general or consequential damages, for any reason whatsoever.

SECTION 20. Performance of Obligations of Lessee by Lessor.

If any Default or Event of Default occurs or if Lessee fails to perform or comply with any of its agreements contained herein, Lessor shall have the right, but shall not be obligated, to effect such performance or compliance and the amount of any out-of-pocket expenses and other reasonable expenses of Lessor incurred in connection with the performance of or compliance with such agreements, as the case may be, together with interest thereon at the Late Payment Rate, shall be payable by Lessee promptly upon demand and any such action by Lessor shall not be deemed a cure or waiver of any Default or Event of Default hereunder.

SECTION 21. Intent

Title to the Aircraft shall at all times remain in Lessor and at no time during the Term shall title become vested in Lessee. Lessee shall acquire no right, title or interest in or to the Aircraft except the right to use the same pursuant to the terms of this Lease. Notwithstanding anything to contrary contained herein or otherwise, should a court of competent jurisdiction determine that this agreement is one intended as security, then solely in that event and for the expressly limited purposes thereof, Lessee shall be deemed to have hereby granted and conveyed, and for such express purposes Lessee hereby grants and conveys to, Lessor a security interest and lien in this Lease, the Aircraft, any subleases, management agreements, interchange agreements, charter agreements and any other agreements of any kind whatsoever relating to the Aircraft or any part thereof and any and all proceeds (including insurance proceeds) of any or all of the foregoing, and all present and future books and records relating to any of the foregoing (including, without limitation, all tapes, cards, computer programs, computer runs and computer data in the possession or control of the Lessee, any computer service bureau or other third party), to secure the prompt and full payment and performance as and when due of any and all obligations and indebtedness of Lessee to Lessor, now existing or hereafter created of any kind whatsoever. The security interest granted herein shall survive the termination or expiration of this Lease by any Event of Default or Default or otherwise and shall remain in full force and effect until such time as Lessee has no further obligations of any kind whatsoever under this Lease.

SECTION 22. Notices.

All communications and notices provided for herein shall be in writing and shall become effective upon hand delivery or upon delivery to an overnight delivery service or two (2) Business Days after being deposited in the United States mail with proper postage for first-class mail prepaid, sent by registered or certified mail, return receipt requested, and addressed to Lessor or Lessee at their respective addresses set forth under the signatures hereto or such other address as either party may hereafter designate by written notice to the other.

SECTION 23. Purchase and Renewal Options.

(a) End of Term Purchase Option. So long as (i) no Default or Event of Default shall have occurred and be continuing under this Lease and (ii) this Lease shall not have been earlier terminated, Lessee shall be entitled, at its option, upon written notice to Lessor at least one hundred eighty (180) days prior to the expiration of the Basic Term, to purchase the Aircraft at the expiration of the Basic Term for an amount, payable in immediately available funds, equal to the fair market sales value of the Aircraft as of the end of the Basic Term determined in accordance with Section 23(c) hereof plus any applicable sales, excise or other taxes imposed as a result of such sale (other than gross or net income taxes attributable to such sale) and together with all Rent then due and owing. Upon Lessor's receipt of any and all amounts due Lessor pursuant to the terms and conditions of this Section 23(a) and any other applicable terms of this Lease, Lessor shall deliver to Lessee an "AS-IS, WHERE-IS" WITHOUT RECOURSE OR WARRANTY bill of sale for the Aircraft and any and all warranties relating to the Aircraft (to the extent that any such warranties are in effect or are assignable by Lessor). Without limiting the generality of the foregoing, Lessor's sale of the Aircraft

shall be on an "AS-IS WHERE-IS" BASIS, WITHOUT ANY REPRESENTATION BY, OR RECOURSE OR WARRANTY, EXPRESS OR IMPLIED, OF ANY KIND WHATSOEVER, TO LESSOR.

(b) Renewal Option. So long as (i) no Default or Event of Default shall have occurred and be continuing under this Lease, (ii) Lessee shall not have exercised its purchase option pursuant to Section 23 (a) hereof and (iii) this Lease shall not have been earlier terminated, Lessee shall be entitled, at its option, to extend the Term of this Lease with respect to the Aircraft at the expiration of the Basic Term for an additional period. The length of such additional period shall be as set forth on Schedule 2 to Lease Supplement No. 1 (such additional period being hereinafter referred to as the "Renewal Term"). A Renewal Term shall commence at the expiration of the Basic Term. Lessee's option to renew this Lease for a Renewal Term shall be exercisable by giving written notice to Lessor at least one hundred eighty (180) days prior to the expiration of the Basic Term. All of the provisions of this Lease shall be applicable during the Renewal Term, except that, during the Renewal Term, the Basic Rent shall be an amount equal to the Aircraft's fair rental value, which shall be determined in accordance with Section 23 (c) hereof. Such Basic Rent shall be payable monthly in advance on the first day of each month during the Renewal Term, which dates shall be deemed "Basic Rent Dates" for purposes of this Lease.

(c) Determination of Fair Market Sales and Rental Values. If Lessee has elected to exercise its purchase or renewal options, as provided in Section 23(a) or (b) hereof, then as soon as practicable following Lessor's receipt of the written notice from Lessee of Lessee's intent to exercise such option, Lessor and Lessee shall consult for the purpose of determining the fair market sales value or fair market rental value, as applicable, (as defined below) of the Aircraft as of the end of the Basic Term, and any values agreed upon in writing shall constitute such fair market sales value or fair market rental value, as the case may be, of the Aircraft for the purposes of this Section 23. If Lessor and Lessee fail to agree upon such value prior to one hundred thirty-five (135) days before the expiration of the Basic Term, Lessor shall appoint an independent appraiser (reasonably acceptable to Lessee) to determine fair market sales value or fair market rental value, as the case may be, and that determination shall be final, binding and conclusive. Lessee agrees to pay the costs and expenses of any such appraisal. For the purposes of this Section 23, "fair market sales value" and "fair market rental value" shall be determined on the basis of, and shall equal in value, the amount which would be obtained in an arm's length transaction between an informed and willing buyer-user or lessee, as the case may be, (who is neither a lessee in possession nor a used equipment dealer) and an informed and willing seller or lessor, as the case may be, under no compulsion to sell or lease, as the case may be, and in such determination costs of removal of the Aircraft from its then location shall not be a deduction from such fair market sales value or fair market rental value, as the case may be, and it shall be assumed (whether or not the same be true) that the Aircraft has been maintained in accordance with the provisions of this Lease and would have been returned to Lessor in compliance with the requirements of Section 8 hereof or any other applicable Section.

(d) Time to Exercise Option. Lessee shall be deemed to have waived the purchase option under Section 23(a) and the renewal option under

Section 23 (b) unless Lessee provides Lessor with written notice of its irrevocable election to exercise the applicable option within fifteen (15) days after the applicable fair market sales value and/or fair market rental value, as applicable, is determined (by agreement or appraisal).

(e) Early Purchase Option. So long as no Default or Event of Default shall have occurred and be continuing hereunder, Lessee shall be entitled, at its option, on the eighty-fourth (84th) Basic Rent Date (any such date for purposes of this Section, called the "Early Purchase Date") upon written notice to Lessor of at least one hundred twenty (120) but no more than one hundred eighty (180) days prior to the proposed Early Purchase Date, to purchase the Aircraft. Such early purchase by Lessee shall be effective upon the payment to the Lessor on the Early Purchase Date of an amount equal to the applicable Early Purchase Option Amount.

On the Early Purchase Date, in addition to the Early Purchase Option Amount, Lessee shall also pay to Lessor, in immediately available funds, (i) the Basic Rent due for the Aircraft on the Early Purchase Date, plus (ii) all accrued and unpaid Rent then due and owing for the Aircraft.

On the Early Purchase Date (but in no event prior to Lessor's receipt of the amounts specified in this Section), and provided that Lessor has received any and all amounts due Lessor pursuant to the terms and conditions of this Section 23(e) and any other applicable terms of this Lease, Lessor shall deliver to Lessee an "AS-IS, WHERE-IS" WITHOUT RECOURSE OR WARRANTY bill of sale for the Aircraft and any and all warranties relating to the Aircraft (to the extent that any such warranties are in effect or are assignable by Lessor). Without limiting the generality of the foregoing, Lessor shall sell the Aircraft to Lessee on an "AS-IS, WHERE-IS" BASIS, WITHOUT ANY REPRESENTATION BY, OR RECOURSE OR WARRANTY, EITHER EXPRESS OR IMPLIED, TO, LESSOR.

Unless and until the foregoing payments and performance have been made and/or observed in full by Lessee, Lessee's obligations under this Lease, including, without limitation, the obligation to pay Basic Rent for the Aircraft, shall continue in full force and effect.

Notwithstanding anything to the contrary contained herein or otherwise, Lessee shall not be entitled to purchase the Aircraft pursuant to this Section if an Event of Default or Default shall have occurred and be continuing, this Lease shall have been earlier terminated, the Aircraft purchased, the right of first refusal exercised and/or the option to upgrade the Aircraft exercised on or prior to the proposed Early Purchase Date.

SECTION 24. Right of First Refusal.

In the event that the Lessee shall receive an arms-length bona fide written offer from any non-affiliated Person to refinance or re-lease the Aircraft or to finance or lease any aircraft which shall serve as an upgrade for the Aircraft (the "third party offer"), the Lessee shall grant, and hereby does grant, a right of first refusal ("right of first refusal") to refinance or re-lease the Aircraft or to lease or finance such upgrade aircraft to the Lessor on the same financial terms and conditions as such third party offer, except with respect to the closing

date, as such third party offer. Lessee shall send written notice of the third party offer to Lessor pursuant to the notice requirements of this Lease.

Lessor's right of first refusal shall be exercised, if at all, with regard to any third party offer by sending written notice to the Lessee within twenty-one (21) days of the date that the notice of the third party offer from Lessee is received by the Lessor together with a proposal letter regarding the principal terms and conditions of the proposed refinance or re-lease of the Aircraft or proposed financing or leasing of such upgrade aircraft. If the Lessor does not comply with the foregoing notice requirements, the Lessor's right of first refusal shall be deemed to have expired. In the event that the third party offer is an offer to lease the Aircraft or any upgrade aircraft, Lessor and Lessee agree to use this form of Lease, revised to effect the financial terms of the third party offer, as the form of agreement for the refinancing.

Notwithstanding anything to the contrary contained herein or otherwise, the Lessee remains fully and completely obligated to perform any and all of the terms and conditions of this Lease and any documents, agreements or instruments related thereto, including, without limitation, any limitations on the ability of the Lessee to purchase the Aircraft or terminate this Lease or to make any termination payments or any other payments of any kind whatsoever under this Lease regardless of whether the Lessor exercises or rejects the right of first refusal. Lessor's right of first refusal shall survive the termination or expiration of this Lease.

SECTION 25. Option to Upgrade Aircraft.

So long as no Event of Default shall have occurred and be continuing hereunder, Lessee shall be entitled, at its option, upon at least one hundred twenty (120) days prior written notice to Lessor, to replace the Aircraft on any Basic Rent Dates (any such date for purposes of this Section called the "Upgrade Date"), with a new aircraft manufactured by the Supplier ("upgrade aircraft") which in the sole opinion of Lessor, (i) has a value, utility, and useful life better than the Aircraft, and (ii) being in as good or better an operating condition as the Aircraft, assuming the Aircraft was of the value and utility and in the condition and repair required by the terms of this Lease including, without limitation, all maintenance and overhaul requirements, immediately prior to the exercise by Lessee of its option under this Section to upgrade the Aircraft. Any such proposed upgrade aircraft shall be expressly subject to the prior written approval and consent of the Lessor, which approval and consent shall be given, if at all, in Lessor's sole discretion. On the Upgrade Date, the Lessee shall pay to Lessor in immediately available funds, (i) the Upgrade Option Amount, (ii) the Basic Rent due for the Aircraft on the Upgrade Date, plus (iii) all accrued and unpaid Rent then due and owing for the Aircraft. Upon full compliance by Lessee with the terms of this Section, this Lease shall terminate and Lessor will transfer to Lessee, all of Lessor's right, title and interest, if any, in and to the Aircraft. SUCH TRANSFER SHALL BE "AS-IS, WHERE-IS" AND LESSOR SHALL NOT BE DEEMED TO HAVE MADE, AND LESSOR HEREBY DISCLAIMS, ANY REPRESENTATION OR WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO THE AIRCRAFT SO TRANSFERRED TO LESSEE.

If the Lessor determines that the upgrade aircraft is acceptable, Lessor shall have the option to finance the acquisition of the upgrade aircraft pursuant to the terms of Section 24 hereof. In the event that Lessor exercises its right of first refusal pursuant to Section 24 hereof, on the Upgrade Date Lessee, at its own cost and expense, shall convey to the Lessor good and marketable title to the upgrade aircraft, free and clear of any Liens or title defects of any kind whatsoever (for no additional cost to the Lessor, including, without limitation, any purchase price amounts or any taxes of any kind whatsoever relating to the conveyance or the sale of the upgrade aircraft). Prior to or at the time of any such conveyance, Lessee, at its own cost and expense, will furnish Lessor with such documents to evidence such conveyance as Lessor shall request in its sole discretion, including without limitation, bills of sale and opinions of Lessee's counsel and FAA Counsel comparable to those furnished on the Acceptance Date which such documents shall be in form and substance satisfactory in all respects to the Lessor in its sole discretion. In addition, the parties agree that any financing of the upgrade aircraft shall be effected utilizing documentation which reflects the Lessor's then current standard aircraft financing documents.

Notwithstanding anything to the contrary contained herein or otherwise, until such time as this Lease is actually terminated pursuant to the terms hereof, in no event shall Lessee's exercise of this option to upgrade the Aircraft under the circumstances contemplated by the terms of this Section result in any reduction in or delay in the payment of Basic Rent or any other payments of any kind whatsoever due under this Lease or relieve Lessee of any obligations of any kind whatsoever under this Lease or any document, agreement or instrument related thereto.

SECTION 26. Transaction Expenses.

Lessee shall pay all actual and reasonable fees, costs and expenses incurred by Lessor in connection with this Lease, whether or not the transactions contemplated hereby are consummated, including, without limitation, appraisal fees, Lessor's counsel fees and expenses and FAA Counsel fees and expenses, and FAA and UCC title and lien searches, reports, filing and recording fees, charges and taxes. Lessee also agrees to pay all fees and expenses of Lessor's counsel, FAA Counsel and all other third parties who are engaged by Lessor to enforce Lessor's rights and/or remedies hereunder, to update any FAA or UCC title and/or lien reports and/or to review, file and record any and all documents and instruments as required by Lessor or the FAA during and after the Term of this Lease.

SECTION 27. Letter of Credit.

In consideration of Lessor entering into this Lease and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Lessee shall furnish to and for the benefit of Lessor, at Lessee's sole cost and expense, a letter of credit issued by a commercial bank acceptable to Lessor (the "Letter of Credit"), upon the following terms and conditions:

- (a) The Letter of Credit shall be issued in favor of Lessor by a

Chasper B

domestic United States financial institution acceptable in all respects to Lessor in its sole and absolute discretion (the "Issuer"), the original thereof shall be delivered to Lessor on or before the Acceptance Date, and shall be substantially in the form of Exhibit E attached hereto and made a part of hereof.

- (b) The Letter of Credit shall be in the face amount of (i) \$1,100,000.00 (in United States Dollars) at all times from the Acceptance Date through and including March 31, 1997, (ii) \$1,000,000.00 (in United States Dollars) at all times from April 1, 1997 through and including March 31, 1998, (iii) \$900,000.00 (in United States Dollars) at all times from April 1, 1998 through and including March 31, 1999, (iv) \$800,000.00 (in United States Dollars) at all times from April 1, 1999 through and including March 31, 2000, (v) \$700,000.00 (in United States Dollars) at all times from April 1, 2000 through and including March 31, 2001, (vi) \$600,000.00 (in United States Dollars) at all times from April 1, 2001 through and including March 31, 2002, (vii) \$600,000.00 (in United States Dollars) at all times from April 1, 2002 through and including March 31, 2003, (viii) \$600,000.00 (in United States Dollars) at all times from April 1, 2003 through and including March 31, 2004, (ix) \$600,000.00 (in United States Dollars) at all times from April 1, 2004 through and including March 31, 2005, (x) \$600,000.00 (in United States Dollars) at all times from April 1, 2005 through and including March 31, 2006, and (xi) \$600,000.00 (in United States Dollars) at all times from April 1, 2006 through and including March 31, 2007.
- (c) The Letter of Credit shall have an expiration date of no earlier than the Expiration Date (including, the Expiration Date of any Renewal Term), or shall otherwise provide for automatic renewals of the Letter of Credit thereof through such date, unless Lessor receives written notice from Issuer not less than 60 days prior to the Letter of Credit's then applicable expiration date of Issuer's election not to renew the Letter of Credit ("Non-Renewal Notice"), which Non-Renewal Notice shall be sent by certified mail, return receipt requested to Lessor and which shall specifically identify the Lessee by name and the Letter of Credit by date and number.

If at any time Lessor shall determine, in its sole and absolute discretion, that there has been a material adverse change in the financial condition of Issuer since the date of this Lease, or that Issuer's ability to perform its obligations under or in respect of the Letter of Credit is impaired, then Lessor may require that Lessee provide a replacement Letter of Credit issued by an Issuer acceptable in all respects to Lessor in its sole and absolute discretion within 90 days of Lessor's demand therefor, which replacement Letter of Credit shall comply with all of the terms and provisions of this Section 27. Upon receipt of such replacement Letter of Credit, Lessor shall surrender the Letter of Credit being replaced to the Issuer thereof.

It shall constitute an additional Event of Default under this Lease

if Lessee breaches or defaults in the performance of any of the terms and provisions of this Section 27, or if Lessor receives any Non-Renewal Notice or if Issuer shall in any manner dispute or disclaim its obligations and liabilities under the Letter of Credit. Upon the occurrence of an Event of Default, Lessor shall, in addition to all of its rights and remedies under this Lease, have the right to immediately draw on the Letter of Credit.

SECTION 28. Miscellaneous.

(a) All agreements, indemnities, representations, covenants and warranties contained in this Lease or any agreement, document or certificate delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery of this Lease and the expiration or other termination of this Lease for any reason whatsoever.

(b) Any provision of this Lease which may be determined to be prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, Lessee hereby waives any provision hereof prohibited or unenforceable in any respect.

(c) This Lease, and each related instrument, document, agreement and certificate, collectively constitute, and are intended to collectively constitute, the complete and exclusive statement of the terms of the agreement between Lessor and Lessee with respect to the purchase and leasing of the Aircraft and cancel and supersede any and all prior or contemporaneous oral or written understandings, memoranda, negotiations, communications and agreements with respect thereto including, without limitation, any proposal letter, commitment letter and/or term sheet delivered to the Lessee by Lessor.

(d) This Lease may be executed in any number of counterparts and by the different parties hereto on separate counterparts. Each counterpart of the Lease bears the following legend on the face and execution pages thereof: "This is Counterpart No. ___ of a total of ___ counterparts. Only Counterpart No. 1 shall be considered chattel paper for purposes of the Uniform Commercial Code and a security interest may be perfected only by possession of Counterpart No. 1." To the extent, if any, that this Lease constitutes chattel paper (as such term is defined in the UCC as in effect in any applicable jurisdiction) no security interest in this Lease may be created through the transfer or possession of any counterpart other than the counterpart marked "Counterpart No. 1".

(e) The division of this Lease into sections, the provision of a table of contents and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Lease.

(f) The actual dates of execution hereof by the parties hereto are respectively the dates set forth under the signatures hereto, however

this Lease shall be effective as of the date first above written.

(g) Lessee will promptly and duly execute and deliver to Lessor and any assignee, mortgagee and/or lender of the Lessor, such other documents and assurances, including, without limitation, such amendments to this Lease as may be required by Lessor (and by any assignee, mortgagee and/or lender of the Lessor), and UCC financing statements and continuation statements, and will take such further action as Lessor or any such assignee, mortgagee and/or lender may from time to time request in order to carry out more effectively the intent and purposes of this Lease and to establish and protect the rights and remedies created or intended to be created in favor of Lessor and of any such assignee, mortgagee and/or lender. Lessee irrevocably appoints Lessor (and any assignee, mortgagee and/or lender of the Lessor) its attorney-in-fact to act in Lessee's name and on its behalf to make, execute, deliver and file any instruments or documents and to take any action as Lessor (and any such assignee, mortgagee and/or lender) deems necessary or appropriate to carry out the intent of this Lease or any agreements, documents or instruments related thereto. To the extent appropriate or permissible under applicable law, such appointment is coupled with an interest, shall be irrevocable and shall terminate only upon payment in full of the obligations set forth in this Lease and/or any agreements, documents or instruments related thereto.

(h) Time is of the essence in the payment and performance of all of Lessee's obligations under the Lease. This Lease shall be deemed to have been executed in Rhode Island by virtue of the Lessor having countersigned and accepted the Lease in Rhode Island and shall be deemed to be performed in Rhode Island by virtue of the payment of Rent to be made to Lessor in Rhode Island, and this Lease shall be delivered for closing purposes in Lessor's office at 50 Kennedy Plaza, Providence, Rhode Island. This Lease shall in all respects be governed by, and construed in accordance with, the laws of the State of Rhode Island, without giving effect to principles of conflicts of law or choice of law, including all matters of construction, validity and performance. Lessee hereby irrevocably consents and agrees that any legal action, suit or proceeding arising out of or in any way in connection with this Agreement may be instituted or brought in the courts of the State of Rhode Island or the United States District Court for the District of Rhode Island, as Lessor may elect, and by execution and delivery of this Lease, Lessee hereby irrevocably accepts and submits to, for itself and in respect of its property, generally and unconditionally, the non-exclusive jurisdiction of any such court, and to all proceedings in such courts. To the extent permitted by applicable law, this Lease shall be deemed a "finance lease" under Section 2A-103(g) of the UCC. LESSEE ACKNOWLEDGES AND AGREES THAT THIS LEASE IS A COMMERCIAL TRANSACTION. LESSEE ALSO HEREBY KNOWINGLY AND FREELY WAIVES ALL RIGHTS TO TRIAL BY JURY IN ANY LITIGATION ARISING HEREFROM OR IN RELATION HERETO. Any action by Lessee against Lessor for any cause of action relating to this Lease shall be brought within one year after any such cause of action first arises.

SECTION 29. AMENDMENTS.

NO TERM OR PROVISION OF THIS LEASE MAY BE AMENDED, ALTERED, WAIVED,

DISCHARGED OR TERMINATED ORALLY, EXCEPT IN A WRITING SIGNED BY A DULY AUTHORIZED OFFICER OF THE PARTY AGAINST WHOM THE ENFORCEMENT OF THE AMENDMENT, ALTERATION, WAIVER, -DISCHARGE OR TERMINATION IS SOUGHT.

MKTJ - TWG
LESSEE'S INITIALS

SECTION 30. Truth in Leasing.

(A) LESSEE HAS REVIEWED THE AIRCRAFT'S MAINTENANCE AND OPERATING LOGS SINCE ITS DATE OF MANUFACTURE AND HAS FOUND THAT THE AIRCRAFT HAS BEEN MAINTAINED AND INSPECTED UNDER PART 91 OF THE FEDERAL AVIATION REGULATIONS. LESSEE CERTIFIES THAT THE AIRCRAFT PRESENTLY COMPLIES WITH THE APPLICABLE MAINTENANCE AND INSPECTION REQUIREMENTS OF PART 91 OF THE FEDERAL AVIATION REGULATIONS. (B) LESSEE CERTIFIES THAT LESSEE, AND NOT LESSOR, IS RESPONSIBLE FOR OPERATIONAL CONTROL OF THE AIRCRAFT UNDER THIS LEASE DURING THE TERM HEREOF. LESSEE FURTHER CERTIFIES THAT LESSEE UNDERSTANDS ITS RESPONSIBILITY FOR COMPLIANCE WITH APPLICABLE FEDERAL AVIATION REGULATIONS. (C) LESSEE ALSO CERTIFIES THAT THE AIRCRAFT WILL BE MAINTAINED AND INSPECTED UNDER PART 91 OF THE FEDERAL AVIATION REGULATIONS FOR OPERATIONS TO BE CONDUCTED UNDER THIS LEASE. LESSEE UNDERSTANDS THAT AN EXPLANATION OF FACTORS BEARING AN OPERATIONAL CONTROL UNDER PERTINENT FEDERAL AVIATION REGULATIONS CAN BE OBTAINED FROM THE NEAREST FAA FLIGHT STANDARDS DISTRICT OFFICE, GENERAL AVIATION DISTRICT OFFICE OR AIR CARRIER DISTRICT OFFICE.

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IN WITNESS WHEREOF, the parties hereto have caused the Lease to be duly executed by the respective officers thereunto duly authorized.

Lessor:
Fleet Credit Corporation

Lessee:
The Wing Group, Limited Co.

By: David E. Conway

By: _____

Title: AVP

Title: _____

Date: 3/26/96

Date: _____

Address: 50 Kennedy Plaza
5th Floor
Providence, RI 02903-2305

Address: 1610 Woodstead Ct.,
Suite 220
The Woodlands, TX 77380

This is Counterpart No. ___ of a total of ___ counterparts. Only Counterpart No. 1 shall be considered chattel paper for purposes of the Uniform Commercial Code and a security interest may be perfected only by possession of Counterpart No. 1.

IN WITNESS WHEREOF, the parties hereto have caused the Lease to be duly executed by the respective officers thereunto duly authorized.

Lessor:
Fleet Credit Corporation

Lessee:
The Wing Group, Limited Co.

By: _____

By: W. J. Valtan

Title: _____

Title: Treasurer

Date: _____

Date: March 26, 1996

Address: 50 Kennedy Plaza
5th Floor
Providence, RI 02903-2305

Address: 1610 Woodstead Ct.,
Suite 220
The Woodlands, TX 77380

This is Counterpart No. ___ of a total of ___ counterparts. Only Counterpart No. 1 shall be considered chattel paper for purposes of the Uniform Commercial Code and a security interest may be perfected only by possession of Counterpart No. 1.

EXHIBIT A

Definitions

(a) All References in the Lease to designated Sections and other subdivisions are to such designated Sections and other subdivisions only, and the words "herein," "hereof" and "hereunder" and other words of similar import refer to the Lease as whole and not to any particular Section or other subdivision.

(b) Except as otherwise indicated, all the agreements and instruments defined herein or in the Lease shall mean such agreements and instruments as the same may from time to time be supplemented or amended, or as the terms thereof may be waived or modified to the extent permitted by, and in accordance with, the terms thereof.

(c) The terms defined herein and in the Lease shall, for purposes of the Lease and all Lease Supplements, Schedules and Exhibits thereto, have the meanings assigned to them and shall include the plural as well as the singular as the context requires.

(d) The following terms shall have the following meanings for all purposes of the Lease:

Basic Rent, Basic Rent Date, Basic Term, Daily Lease Rate, Expiration Date, First Basic Rent Date, Last Basic Rent Date, Lessor's Cost, Permitted Deductible, Primary Hangar Location, Recovery Period, Renewal Term and Rent Commencement Date shall have the meanings set forth in Schedules 2 and 2-A to Lease Supplement No. 1 to the Lease.

Acceptance Date shall mean the date (which date shall be no later than the date designated as the "Last Acceptance Date" on Schedule No. 2 to Lease Supplement No. 1) on which Lessee has irrevocably and unconditionally accepted the Aircraft for lease under the Lease as evidenced by the execution and delivery of Lease Supplement No. 1 relating thereto dated such date.

Additions shall have the meaning set forth in Section 11 of the Lease.

Aircraft shall mean (i) the Airframe, (ii) the Engines, and (iii) to the extent applicable, the Records.

Aircraft Marking shall mean the marking described on Lease Supplement No. 2.

Airframe shall mean (i) the Aircraft described in Schedule No. 1 to Lease Supplement No. 1, and, unless the context requires otherwise, shall not include the Engines and (ii) any and all Parts from time to time incorporated in, installed on or attached to such Aircraft and any and all Parts removed therefrom so long as title thereto shall remain vested in Lessor in accordance with the applicable terms of this Lease after removal from the Aircraft.

Basic Rent shall have the meaning set forth in Section 3 of the Lease.

Basic Term shall mean the number of months set forth in Schedule No. 2 to Lease Supplement No. 1.

Bill of Sale shall have the meaning set forth in Section 2 of the Lease.

Business Day shall mean any day other than a Saturday, Sunday or other day on which banks located in Providence, Rhode Island are closed or are authorized to close.

Casualty Value shall mean as of any applicable Basic Rent Date an amount determined by multiplying the Lessor's Cost of the Aircraft by the percentage set forth opposite the applicable Basic Rent Date set forth in Schedule No. 3 to Lease Supplement No. 1 to the Lease except that, in the case of an Event of Loss covered by the insurance required to be maintained by Lessee pursuant to Section 14(b) of the Lease (or which would have been covered by such insurance, had such insurance been maintained as required), Casualty Value shall mean the higher of fair market sales value (as determined by the Lessor in its sole discretion) or the value determined in accordance with Schedule No. 3 to Lease Supplement No. 1.

Claims shall have the meaning set forth in Section 15 of the Lease.

Code shall mean the Internal Revenue Code of 1986, as amended.

Default shall mean an event or circumstance which, after the giving of notice or lapse of time, or both, would become an Event of Default.

Early Purchase Date shall have the meaning set forth in Section 23(e) of the Lease.

Early Purchase Option Amount shall mean the amount determined by multiplying the Lessor's Cost of the Aircraft by the percentage set forth opposite the Early Purchase Date set forth on Schedule No. 4 to Lease Supplement No. 1 to the Lease for the applicable Early Purchase Date, which amount shall be payable by the Lessee in the event that it exercises its option to purchase the Aircraft pursuant to Section 23(e) hereof.

Engine shall mean (i) each of the engines described and listed by manufacturer's serial numbers in Schedule No. 1 to Lease Supplement No. 1 and originally installed on the Airframe covered by such Lease Supplement whether or not thereafter installed on such Airframe or any other airframe from time to time; (ii) any engine which may from time to time be substituted, pursuant to the applicable terms of this Lease, for an Engine leased hereunder and (iii) in each case set forth in clauses (i) and (ii) hereof, with any and all Parts incorporated in or installed on or attached to such Engine or engine or any and all Parts removed therefrom so long as title thereto shall remain vested in Lessor in accordance with the applicable terms of this Lease after removal from

such Engine. The term "Engines" means, as of any date of determination, all Engines leased hereunder.

Event of Default shall have the meaning set forth in Section 18 of the Lease.

Event of Loss with respect to the Aircraft, the Airframe or any Engine shall mean any of the following events with respect to such property (i) loss of such property or the use thereof due to theft, disappearance, destruction, damage beyond repair or rendition of such property permanently unfit for normal use for any reason whatsoever; (ii) any damage to such property which results in an insurance settlement with respect to such property on the basis of a total loss or constructive total loss; (iii) the condemnation, confiscation or seizure of, or requisition of title to or use of, such property by the act of any government (foreign or domestic) or of any state or local authority or any instrumentality or agency of the foregoing ("Requisition of Use"); (iv) as a result of any rule, regulation, order or other action by any government (foreign or domestic) or governmental body (including, without limitation, the FAA or any similar foreign governmental body) having jurisdiction, the use of such property shall have been prohibited, or such property shall have been declared unfit for use, for a period of six (6) consecutive months, unless Lessee, prior to the expiration of six-month period, shall have undertaken and, in the opinion of the Lessor, shall be diligently carrying forward all steps which are necessary or desirable to permit the normal use of such property by Lessee or, in any event, if use shall have been prohibited, or such property shall have been declared unfit for use, for a period of twelve (12) consecutive months; (v) with respect to an Engine, the removal thereof from the Airframe for a period of six (6) months or longer, whether or not such Engine is operational or (vi) such property shall be returned to the Manufacturer, other than for modification in the event of patent infringement or for repair or replacement (any such return being herein referred to as a "Return to Manufacturer"). The date of such Event of Loss shall be the date of such theft, disappearance, destruction, damage, Requisition of Use, prohibition, unfitness for use for the stated period, removal for the stated period or Return to Manufacturer. An Event of Loss with respect to the Aircraft shall be deemed to have occurred if an Event of Loss occurs with respect to the Airframe. An Event of Loss with respect to any Engine shall not, without loss of the Airframe, be deemed an Event of Loss with respect to the Aircraft.

FAA shall mean the United State Federal Aviation Administration and/or the Administrator of the Federal Aviation Administration and the Department of Transportation, or any person, governmental department, bureau, authority, commission or agency succeeding the functions of any of the foregoing.

FAA Counsel shall mean Messrs. Daugherty, Fowler & Peregrin, 204 North Robinson, 900 City Place, Oklahoma City, Oklahoma 73102, or such other counsel in Oklahoma City, Oklahoma as Lessor may designate.

Federal Aviation Act shall mean Subtitle VII of Title 49 of the United States Code, as amended and recodified.

Western shall mean Western Resources, Inc., a Kansas corporation.

Impositions shall have the meaning set forth in Section 10 of the Lease.

Issuer shall have the meaning set forth in Section 27 of the Lease.

Late Payment Rate The lesser of a rate equal to 1.5% per month or the highest rate permitted by applicable law. The Late Payment Rate shall be computed on the basis of a 360 day year and a 30 day month.

Lease Supplement shall mean a supplement to the Lease to be entered into on the Acceptance Date by Lessor and Lessee, which supplement shall be substantially in the form as attached to the Lease and identified as either Lease Supplement No. 1 or Lease Supplement No. 2 both of which are attached to the Lease and made a part thereof.

Lessor's Cost shall have meaning set forth in Schedule No. 2 to Lease Supplement No. 1 to the Lease.

Lessor's Liens shall mean any Liens created or granted by Lessor with respect to lessor's purchase or financing of the Aircraft or resulting from claims against Lessor not related to Lessor's ownership of the Aircraft.

Letter Agreement shall have the meaning set forth in Section 2(I)(a)(xiv) of the Lease.

Letter of Credit shall have the meaning set forth in Section 27 of the Lease.

Liens shall mean all liens, charges, security interests, and encumbrances of every nature and description whatever, including, without limitation, liens, charges, security interests and encumbrances with respect to Impositions, (other than Lessor's Liens) and rights of third parties under management, pooling, interchange, overhaul, repair or other similar agreements or arrangements.

Manufacturer shall mean the manufacturers identified on Lease Supplement No. 2 and their respective successors and assigns.

MSP Contract shall mean that certain Engine Maintenance Service Plan (MSP) Executive Operator Contract between Allied-Signal Aerospace Company, Garrett Engine Division and Lessee or such other maintenance agreement entered into from time to time by Lessee, in form and substance satisfactory to Lessor, which provides for the maintenance and/or overhaul of the Engines.

Parts shall mean all appliances, avionics, parts, instruments, appurtenances, accessories, furnishings and other equipment of whatever nature (other than Additions or complete Engines), which may from time to time be incorporated or installed in or attached to the Airframe or any Engine or so long as title thereto shall be vested in Lessor in

accordance with the applicable terms of this Lease.

Permitted Assignee shall mean Westar Capital, Inc., a Kansas Corporation, having its principal place of business and chief executive office at 818 Kansas Avenue, Topeka, Kansas 66612.

Permitted Liens shall mean (a) the respective rights of others under agreements or arrangements to the extent expressly provided by the terms of Section 16 of the Lease, (b) Lessor's Liens and (c) Liens for taxes either not yet due or being contested by Lessee in good faith and include materialmen's, mechanic's, workmen's, repairmen's, employee's or other like Liens arising in the ordinary course of business of Lessee for sums not yet delinquent or being contested in good faith (and for the payment of which adequate assurances and/or security have, in Lessor's sole judgment, been provided to Lessor) with due diligence and by appropriate proceedings, if counsel for Lessor shall have determined in his sole opinion that the nonpayment of any such tax or Lien or the contest of any such payment in such proceedings does not and will not adversely affect the title, property or rights of Lessor.

Person shall mean any individual, partnership, corporation, trust, association, joint venture, joint stock company, or non-incorporated organization or government or any department or agency thereof, or any other entity of any kind whatsoever.

Purchase Documents shall mean the documents identified on Lease Supplement No. 2 and such other documents as Lessor shall consider necessary or advisable in order to convey to Lessor title to the Aircraft as contemplated under the Lease, which documents shall be in form and substance satisfactory to Lessor.

Records means any and all logs, manuals, certificates, data and inspection, modification, maintenance, engineering, technical and overhaul records (including all computerized data, records and materials of any kind whatsoever) with respect to the Aircraft, including, without limitation, all records required to be maintained by the FAA or any other governmental agency or authority having jurisdiction with respect to the Aircraft or any Manufacturer or Supplier of the Aircraft (or any part thereof) with respect to the enforcement of warranties or otherwise, which Records shall be at all times the property of the Lessor after the Acceptance Date.

Renewal Term shall have the meaning set forth in Section 23 (b) of the Lease.

Rent shall have the meaning set forth in Section 3 of the Lease.

Replacement Parts shall have the meaning set forth in Section 11 of the Lease.

Requisition of Use shall have the meaning set forth in the Event of Loss definition contained herein.

Return to Manufacturer shall have the meaning set forth in the Event of Loss definition contained herein.

SEC shall have the meaning set forth in Section 6 (d) of the Lease.

Supplemental Rent shall have the meaning set forth in Section 3 of the Lease.

Supplier shall mean the suppliers identified on Lease Supplement No. 2 and their respective successors and assigns.

Term shall mean the Basic Term together with any Renewal Term entered into pursuant to Section 23 (b) of the Lease.

UCC shall mean the Uniform Commercial Code as in effect in the applicable jurisdiction.

Upgrade Date shall have the meaning set forth in Section 25 of the Lease.

Upgrade Option Amount shall mean as of any applicable Basic Rent Date an amount determined by multiplying the Lessor's Cost of the Aircraft by the percentage set forth opposite the applicable Basic Rent Date set forth in Schedule No. 5 to Lease Supplement No. 1 to the Lease for the applicable Basic Rent Date, which amount shall be payable by the Lessee in the event that it exercises its option to upgrade the Aircraft pursuant to Section 25 hereof.

Warranty Bill of Sale shall mean a warranty bill of sale in the form of Exhibit B hereto.

Initials:

Lessee: MXD-WPI
WMD-TWS

Lessor: _____

Return to Manufacturer shall have the meaning set forth in the Event of Loss definition contained herein.

SEC shall have the meaning set forth in Section 6 (d) of the Lease.

Supplemental Rent shall have the meaning set forth in Section 3 of the Lease.

Supplier shall mean the suppliers identified on Lease Supplement No. 2 and their respective successors and assigns.

Term shall mean the Basic Term together with any Renewal Term entered into pursuant to Section 23 (b) of the Lease.

UCC shall mean the Uniform Commercial Code as in effect in the applicable jurisdiction.

Upgrade Date shall have the meaning set forth in Section 25 of the Lease.

Upgrade Option Amount shall mean as of any applicable Basic Rent Date an amount determined by multiplying the Lessor's Cost of the Aircraft by the percentage set forth opposite the applicable Basic Rent Date set forth in Schedule No. 5 to Lease Supplement No. 1 to the Lease for the applicable Basic Rent Date, which amount shall be payable by the Lessee in the event that it exercises its option to upgrade the Aircraft pursuant to Section 25 hereof.

Warranty Bill of Sale shall mean a warranty bill of sale in the form of Exhibit E hereto.

Initials:

Lessee: _____

Lessor: WPC

ASSIGNMENT AND ASSUMPTION AGREEMENT

This Assignment and Assumption Agreement ("Agreement") dated as of March 26, 1996 is executed by and between The Wing Group, Limited Co. a Delaware corporation ("Transferor"), having its principal place of business and chief executive office at 1610 Woodstead Court, Suite 220, The Woodlands, TX 77380, Westar Capital, Inc. a Kansas corporation ("Transferee"), having its principal place of business and chief executive office at 818 Kansas Avenue, Topeka, Kansas 66612, and Fleet Credit Corporation of 50 Kennedy Plaza, Fifth Floor, Providence, Rhode Island 02903 ("Lessor").

W I T N E S S E T H

WHEREAS, Lessor and Transferor have entered into a certain Aircraft Lease dated as of March 26, 1996 (the "Lease") regarding a certain 1996 Cessna Model 650 Citation VII Serial No. 650-7065, FAA Mark N650W (hereinafter referred to as the "Aircraft"), two (2) AlliedSignal/Garrett TFE-731-4R-2S engines respectively bearing manufacturer's Serial Nos. P102243 and P102240 (collectively, the "Engines") and certain other equipment leased under the Lease, all as more particularly described in the Lease (said Aircraft, Engines and all other equipment sometimes hereinafter collectively referred to as the "Leased Equipment"); and

WHEREAS, the Transferor desires to assign to Transferee all of Transferor's right, title and interest in and to the Lease, any schedules, supplements, instruments, documents or agreements executed and/or delivered in connection with the Lease (collectively, the "Other Lease Documents") and the Leased Equipment; and

WHEREAS, the Transferee desires to accept the assignment contained herein and assume all of the duties, agreements, representations, warranties, obligations and liabilities of Transferor in and to the Lease, the Other Lease Documents and the Leased Equipment to the same extent as if the Transferee had executed the Lease and the Other Lease Documents, pursuant to the terms contained below; and

WHEREAS, the Transferor and the Transferee have requested that the Lessor consent to the foregoing proposed assignment and assumption of the Lease, the Other Leased Documents and the Leased Equipment; and

WHEREAS, the Lessor has agreed to the foregoing request of the Transferor and the Transferee, but only on the terms and conditions contained in this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Transferor, Transferee and Lessor hereby agree as follows:

SECTION 1. Assignment. Transferor hereby assigns and

transfers to Transferee all of its right, title and interest in and to the Lease, the Other Lease Documents and the Leased Equipment.

SECTION 2. Assignment. Transferee hereby accepts the assignment contained in Section 1 hereof and also assumes and agrees to perform all of the duties, representations, warranties, agreements, obligations and liabilities of the Transferor in, to and under the Lease, the Other Leased Documents and the Leased Equipment to the same extent as if the Transferee had executed the Lease and the Other Lease Documents for all purposes. Without limiting the generality of the foregoing, Transferee hereby further (i) agrees to be bound by all of the terms and conditions of the Lease and the Other Lease Documents, and also accepts all of the Transferor's rights, interest, duties, representations, warranties, agreements, obligations and liabilities thereunder for all purposes, (ii) agrees that Transferee shall be deemed the "Lessee" under the terms of the Lease and any Other Lease Documents for all purposes effective as of the date hereof, and (iii) agrees that the Lessor may proceed against the Transferee for any breach by Transferee of any terms or conditions of the Lease and/or any Other Lease Documents pursuant to the terms and conditions of the Lease and/or any Other Lease Documents.

SECTION 3. Release of Liability of Transferor. Transferor shall be released from any and all duties, obligations and liabilities under the Lease and the Other Lease Documents effective upon the date that Lessor receives (i) this Agreement duly executed by the Transferor and the Transferee, and (ii) any other documents or instruments that Lessor requests pursuant to the terms and conditions of Section 16 of the Lease.

SECTION 4. Event of Default under the Lease. Transferor and Transferee hereby acknowledge and agree that any breach by Transferor or Transferee of any representation, warranty or agreement contained in this Agreement shall be an Event of Default under the Lease or any Other Lease Documents for all purposes.

SECTION 5. Representations, Warranties and Agreements of Transferee.

Without limiting the generality of any terms or conditions of the Lease (including, without limitation, any representations and warranties contained therein), Transferee hereby represents, warrants and agrees for the benefit of the Lessor as follows:

(a) Due Organization of Transferee. Transferee is a corporation and is duly organized and existing in good standing under the laws of the State of Kansas and is duly qualified to do business wherever necessary to carry on its present business and operations and to own its property, including, without limitation, the Primary Hangar Location.

(b) Due Authorization of Transferee: No Violation by

Transferee. This Agreement, Lease Supplement No. 1, Lease Supplement No. 2, and any schedules relating to said lease supplements, have been duly authorized by all necessary action on the part of Transferee consistent with its form of organization, do not require any further shareholder, member or partner approval, do not require the approval of, or the giving notice to, any Federal, state, local or foreign governmental authority (including, without limitation, the Department of Transportation and/or the FAA) and do not contravene any law binding on Transferee or contravene any provision of, or constitute a default or result in the creation of any Lien other than a Permitted Lien under any certificate or articles of incorporation or organization or by-laws or partnership certificate or agreement, or any agreement, indenture, or other instrument to which Transferee is a party or by which it may be bound.

(c) Enforceability of Agreement. This Agreement, Lease Supplement No. 1, Lease Supplement No. 2, and any schedules relating to said lease supplements, have been duly executed and delivered by authorized officers or partners of Transferee and constitute legal, valid and binding obligations of Transferee enforceable in accordance with their respective terms.

(d) Financial Statements of Transferee. Transferee agrees to furnish Lessor (i) as soon as available, and in any event within one hundred twenty (120) days after the last day of each fiscal year of Transferee, a copy of the balance sheets of Transferee as of the end of such fiscal year, and related statements of income and retained earnings of Transferee for such fiscal year, all in reasonable detail prepared in accordance with generally accepted accounting principles consistently applied and certified by an independent certified public accounting firm of recognized standing and which is reasonably acceptable to Lessor, each on a comparative basis with corresponding statements for the prior fiscal year; (ii) within forty five (45) days after the last day of each fiscal quarter of Transferee (except the last fiscal quarter of any fiscal year), a copy of the balance sheet of Transferee as of the end of each such quarter, and statement of income and retained earnings covering the fiscal year to date of Transferee, each on a comparative basis with the corresponding period of the prior year, all in reasonable detail and certified by the treasurer or principal financial officer of Transferee and (iii) within thirty (30) days after the date on which they are filed, all reports, forms and other filings, if any, required to be made by Transferee to the Securities and Exchange Commission ("SEC") or (in respect of the Aircraft or the Lease) the FAA, including, without limitation, any SEC Form 10-Q and related reports or documents. All credit, financial and other information provided by Transferee or at Transferee's direction is, and all such information hereafter furnished will be, true, correct and complete in all material respects.

(e) Furnishing of Information. Transferee agrees that it shall furnish from time to time to Lessor such information

relating to Transferee and/or Western Resources, Inc. ("Western"), and their respective subsidiaries and/or affiliates, financial or otherwise, as Lessor shall reasonably request.

(f) Location of Chief Executive Offices. The chief executive offices and principal place of business of Transferee is 818 Kansas Avenue, Topeka, Kansas 66612, and Transferee agrees to give Lessor thirty (30) days' prior written notice of any relocation of said chief executive offices or principal place of business from its present location, or of any change in its name or identity.

(g) Documents on Board. A current and valid Registration Application or Certificate of Aircraft Registration, and a copy of the Lease and the Lease Supplements, will be kept on board the Aircraft at all times during the term of the Lease.

(h) Selection of Aircraft. Lessor has not selected, manufactured or supplied the Aircraft or any other Leased Equipment to Transferee and has acquired the Aircraft and any other Leased Equipment subject hereto solely in connection with the Lease and Transferee has received and approved the terms of any purchase order or agreement with respect to the Aircraft and any other Leased Equipment.

(i) Litigation relating to Transferee. There are no proceedings pending or, so far as the officers of Transferee know, threatened against or affecting Transferee or any of its property before any court, administrative officer or administrative agency which would have a material and adverse effect on the title of Lessor to the Aircraft or to any other Leased Equipment, or which, if decided adversely affect the financial condition or operations of Transferee or the ability of Transferee to perform its obligations under the Lease or any Other Lease Documents. Further, Transferee is not in default under any material obligation for the payment of borrowed money, for the deferred purchase price of property, or for the payment of any rent which, either individually or in the aggregate, would have the same such effect.

(j) No Adverse Mortgages. The right, title and interest of Lessor in and to the Aircraft or any other Leased Equipment and the Rent will not be adversely affected or impaired by the terms of any mortgage, loan agreement or indenture or any other contract, agreement or instrument to which Transferee is a party, or under which it or any of its property is or may become bound. In addition, no mortgage, deed of trust, or other Lien which now covers or affects, or which may hereafter cover or affect, any property or interest therein of Transferee, now attaches or hereafter will attach to the Aircraft, the Airframe, any Engine or any other Leased Equipment, or in any manner affects or will affect adversely Lessor's right, title and interest therein.

(k) Taxes. Transferee has filed or caused to be filed and will continue to file all Federal, state and local tax returns

which are required to be filed, and has paid or caused to be paid and will continue to pay all taxes shown to be due and payable on such returns or (except to the extent being contested in good faith and for the payment of which adequate reserves have been provided) on any assessment received by Transferee, to the extent that such taxes have heretofore or in the future become due and payable.

(l) Filing. Except for the registration of the Aircraft with the FAA and except for filing and recording of the applicable documents pursuant to the Federal Aviation Act no further action, including any filing or recording of any document (except for any financing statement under Article 9 of the UCC of any applicable jurisdiction to be filed pursuant hereto) is necessary or advisable in order to establish and perfect Lessor's title to and interest in, the Aircraft and any other Leased Equipment, as against Transferee and/or any Person in any applicable jurisdiction.

(m) Good Title. Lessor will be the owner of the Aircraft as of the Acceptance Date and will have good and marketable title to the Aircraft, free and clear of all Liens other than any Liens created in favor of Lessor under the Lease.

(n) Records. Transferee has reviewed all Records with respect to the operation and maintenance of the Aircraft prior to the Acceptance Date and such Records have been kept in accordance with the requirements of the FAA rules and regulations and industry standards. Transferee shall maintain all such Records during the Term of the Lease in accordance with the requirements of the FAA, and any manufacturer's maintenance programs or requirements as well as Sections 8 and 11 of the Lease.

(o) Claims. Transferee has no pending claims, and does not have knowledge of any facts upon which a future claim may be based, against any prior owner, the Manufacturer or Supplier of the Aircraft or of any Engine or part thereof or of any other Leased Equipment for breach of warranty or otherwise.

(p) U.S. Citizen. The Transferee is and will continue to be a "citizen of the United States" within the meaning of the Federal Aviation Act.

(q) Engines. Each of the Engines has 750 or greater rated takeoff horsepower or the equivalent of such horsepower.

(r) Corporate Existence; Merger, Sale, etc. Transferee shall at all times maintain its corporate existence and, shall not consolidate, reorganize or merge with or into any other corporation or Person, or sell, convey, transfer or lease, as applicable, all or substantially all of its assets or stock to any Person, or become the subject of, or engage in, a leveraged buy out or any other form of corporate reorganization without the prior written consent of Lessor.

(s) Wholly-Owned Subsidiary of Western. Transferee shall at all times be a wholly-owned subsidiary of Western.

SECTION 6. Representations and Warranties of Transferor. Transferor represents and warrants to Lessor that (i) Transferor's execution and delivery of this Agreement and any other documents and instruments executed or delivered in connection therewith have been duly authorized and executed on its part and will be a legal, valid, binding and enforceable agreement against Transferor in accordance with its terms; (ii) Transferor has full power and authority to execute, deliver and perform its obligations under this Agreement, and any other documents and instruments executed or delivered in connection therewith; and, (iii) all required consents for Transferor's execution, delivery and performance of this Agreement and any other documents and instruments executed or delivered in connection therewith have been duly obtained.

SECTION 7. Lessor Consent. In consideration of the Transferor's and the Transferee's respective representations, warranties and agreements contained in this Agreement, Lessor hereby consents to the assignment and assumption of the Lease, the Other Lease Documents and the Leased Equipment, and the release of the Transferor from any liability under the Lease and any Other Lease Documents, pursuant to the terms and conditions of this Agreement.

SECTION 8. Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts and all of said counterparts taken together shall be deemed and constitute one and the same instrument.

SECTION 9. Severability of Provisions. If any provision in this Agreement or any part thereof is held invalid or unenforceable, such invalidity or unenforceability shall not affect or impair the validity or the enforceability of the remaining provisions, or any part thereof, of this Agreement.

SECTION 10. Entire Agreement. Except for the Lease and the Other Lease Documents, this Agreement constitutes the entire agreement between the parties hereto, and supersedes all prior or contemporaneous agreements, communications and understandings, both written or oral with respect to the subject matter of this Agreement. This section shall not be construed to apply to any other existing or future financing arrangements between the Transferor or the Transferee and the Lessor, as the case may be, if any, which are not the subject of this Agreement.

SECTION 11. Section Titles: Construction. The section titles contained in this Agreement are for convenience only and are without substantive meaning or content of any kind and shall not be considered part of this Agreement. Unless the context otherwise requires, singular nouns and pronouns, when used herein, shall be

deemed to include the plural and vice versa, and impersonal pronouns shall be deemed to include the personal pronoun of the appropriate gender.

SECTION 12. No Waiver. THIS AGREEMENT SHALL NOT BE MODIFIED, ALTERED, AMENDED OR WAIVED IN WHOLE OR IN PART EXCEPT IN WRITING DULY SIGNED BY EACH PARTY OR BY EACH PARTY'S AUTHORIZED REPRESENTATIVE. ANY WAIVER SHALL BE EFFECTIVE ONLY IN THE SPECIFIC INSTANCE AND FOR THE SPECIFIC PURPOSE FOR WHICH IT IS GIVEN. NO FAILURE TO EXERCISE, OR DELAY IN EXERCISING, ANY RIGHT HEREUNDER SHALL OPERATE AS A WAIVER THEREOF; NOR SHALL ANY FAILURE TO EXERCISE, OR PARTIAL EXERCISE OF, ANY RIGHT HEREUNDER PRECLUDE ANY OTHER OR FURTHER EXERCISE THEREOF OR THE EXERCISE OF ANY OTHER RIGHT.

SECTION 13. Binding Nature. This Agreement shall be binding upon the Transferor and the Transferee and their respective representatives, successors, transferees and assigns and the benefits hereof shall extend to and include the Lessor and its successors, representatives, transferees and assigns.

SECTION 14. No Amendments of Lease. Except as expressly modified or amended herein, the terms and conditions of the Lease and any Other Lease Documents shall remain in full force and effect in accordance with their respective original tenor. Without limiting the generality of the foregoing or any other terms of this Agreement, nothing contained herein shall be interpreted or construed in any way whatsoever to limit the various provisions of the Lease and any Other Lease Documents except as otherwise expressly provided herein. In the event that any term or provision of this Agreement conflicts with any term or provision of the Lease or any Other Lease Documents, the applicable terms and provisions of the Lease or any Other Lease Documents shall control for all purposes. However, in the event that any representations, warranties or agreements contained in Section 5 of this Agreement conflict with any term or condition of the Lease or any Other Leased Documents, the applicable representation, warranty or agreement contained in Section 5 of this Agreement shall control for all purposes.

SECTION 15. Survival of Representations; Defined Terms. All representations, warranties and agreements made hereunder and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement, the Lease, the Other Lease Documents and all other documents or instruments executed and/or delivered in connection therewith. Terms used herein and not otherwise defined herein shall have the meanings set forth in the Lease or in any Other Lease Documents.

SECTION 16. Governing Law; Consent to Jurisdiction. This Agreement shall be deemed to have been executed in Rhode Island by

virtue of the Lessor having countersigned and accepted this Agreement in Rhode Island and shall be deemed to be performed in Rhode Island by virtue of the payment of Rent to be made to Lessor in Rhode Island, and this Agreement shall be delivered for closing purposes in Lessor's office at 50 Kennedy Plaza, Providence, Rhode Island. This Agreement shall in all respects be governed by, and construed in accordance with, the laws of the State of Rhode Island, without giving effect to principles of conflicts of law or choice of law, including all matters of construction, validity and performance. Transferor and Transferee hereby irrevocably consent and agree that any legal action, suit or proceeding arising out of or in any way in connection with this Agreement may be instituted or brought in the courts of the State of Rhode Island or the United States District Court for the District of Rhode Island, as Lessor may elect, and by execution and delivery of this Agreement, Transferor and Transferee hereby irrevocably accept and submit to, for themselves and in respect of their respective property, generally and unconditionally, the non-exclusive jurisdiction of any such court, and to all proceedings in such courts. TRANSFEREE AND TRANSFEROR ACKNOWLEDGE AND AGREE THAT THIS AGREEMENT IS A COMMERCIAL TRANSACTION. TRANSFEREE AND TRANSFEROR ALSO HEREBY KNOWINGLY AND FREELY WAIVES ALL RIGHTS TO TRIAL BY JURY IN ANY LITIGATION ARISING HEREFROM OR IN RELATION HERETO. Any action by Transferor or Transferee against Lessor for any cause of action relating to this Agreement shall be brought within one year after any such cause of action first arises.

SECTION 17. Truth in Leasing. (A) TRANSFEREE HAS REVIEWED THE AIRCRAFT'S MAINTENANCE AND OPERATING LOGS SINCE ITS DATE OF MANUFACTURE AND HAS FOUND THAT THE AIRCRAFT HAS BEEN MAINTAINED AND INSPECTED UNDER PART 91 OF THE FEDERAL AVIATION REGULATIONS. TRANSFEREE CERTIFIES THAT THE AIRCRAFT PRESENTLY COMPLIES WITH THE APPLICABLE MAINTENANCE AND INSPECTION REQUIREMENTS OF PART 91 OF THE FEDERAL AVIATION REGULATIONS. (B) TRANSFEREE CERTIFIES THAT TRANSFEREE, AND NOT LESSOR, IS RESPONSIBLE FOR OPERATIONAL CONTROL OF THE AIRCRAFT UNDER THE LEASE DURING THE TERM THEREOF. TRANSFEREE FURTHER CERTIFIES THAT TRANSFEREE UNDERSTANDS ITS RESPONSIBILITY FOR COMPLIANCE WITH APPLICABLE FEDERAL AVIATION REGULATIONS. (C) TRANSFEREE ALSO CERTIFIES THAT THE AIRCRAFT WILL BE MAINTAINED AND INSPECTED UNDER PART 91 OF THE FEDERAL AVIATION REGULATIONS FOR OPERATIONS TO BE CONDUCTED UNDER THE LEASE. TRANSFEREE UNDERSTANDS THAT AN EXPLANATION OF FACTORS BEARING AN OPERATIONAL CONTROL UNDER PERTINENT FEDERAL AVIATION REGULATIONS CAN BE OBTAINED FROM THE NEAREST FAA FLIGHT STANDARDS DISTRICT OFFICE, GENERAL AVIATION DISTRICT OFFICE OR AIR CARRIER DISTRICT OFFICE.

[This space intentionally left blank.]

IN WITNESS WHEREOF, the parties have executed this Agreement by their respective duly authorized representatives as of the date and year first above written.

TRANSFEROR:
THE WING GROUP, LIMITED CO.

By: W. Carl K. Dalton
Title: Treasurer

TRANSFeree:
WESTAR CAPITAL, INC.

By: W. Carl K. Dalton
Title: Treasurer

LESSOR:
FLEET CREDIT CORPORATION

By: _____
Title: _____

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IN WITNESS WHEREOF, the parties have executed this Agreement by their respective duly authorized representatives as of the date and year first above written.

TRANSFEROR:

THE WING GROUP, LIMITED CO.

By: _____

Title: _____

TRANSFeree:

WESTAR CAPITAL, INC.

By: _____

Title: _____

LESSOR:

FLEET CREDIT CORPORATION

By: David R. Conway

Title: AVP

fleet/wing/jpb17714

LEASE SUPPLEMENT NO. 1

under

AIRCRAFT LEASE dated as of March 26, 1996, by and between Fleet Credit Corporation, as lessor ("Lessor"), and Westar Capital, Inc., as assignee of The Wing Group, Limited Co., as lessee ("Lessee").

(a) The Aircraft.

Lessee hereby acknowledges, agrees and certifies that the Aircraft as set forth and described in Schedule No. 1 hereto is in Lessee's possession, has been inspected by Lessee to its complete satisfaction, has been found to be in good working order, repair and condition and fully equipped to operate as required under applicable law for its purpose, is of a size, design, capacity and manufacture selected by Lessee and suitable for Lessee's purposes, and is, as of the date set forth below, unconditionally, irrevocably and fully accepted by Lessee for lease under the Lease. Lessee hereby further unconditionally and irrevocably reaffirms its acknowledgements and agreements in the Lease. All capitalized terms used herein which are not otherwise defined herein shall have the meanings given to such terms in the Lease.

(b) Representations by Lessee.

Lessee hereby represents and warrants to Lessor that on the date hereof:

(1) The representations and warranties of Lessee set forth in the Lease and all certificates and opinions delivered in connection therewith were true and correct in all respects when made and are true and correct as of the date hereof, with the same force and effect as if the same had been made on this date.

(2) Lessee has satisfied or complied with all conditions precedent and requirements as set forth in the Lease and Lease Supplements which are required to be or to have been satisfied or complied with on or prior to the date thereof.

(3) No Default or Event of Default under the Lease has occurred and is continuing on the date hereof.

(4) Lessee has obtained, and there are in full force and effect, such insurance policies with respect to the Aircraft, as such term is defined in the Lease, as are required to be obtained under the terms of the Lease.

(5) Lessee has furnished no equipment for the Aircraft other than as stated on Schedule No. 1 hereto or permitted as an Addition thereto pursuant to the Lease.

(6) The facts, terms, information, description and costs set

forth in the attached Schedules No. 1, No. 2 and No. 2-A hereto are true, complete, accurate and correct.

(7) The Lease shall be deemed a "finance lease" under Section 2A-103 (g) of the UCC.

Date of unconditional, irrevocable and final acceptance by Lessee:

April 10, 1996.

IN WITNESS WHEREOF, Lessee has caused this Lease Supplement No. 1 to be duly executed by its officer thereunto duly authorized.

Westar Capital, Inc., as Assignee
of The Wing Group, Limited Co.,
as Lessee

By: Marilyn K. Dalton

Title: Treasurer

Date: April 10, 1996

SCHEDULE NO. 1

TO

LEASE SUPPLEMENT NO. 1

Description of Aircraft

1996 Cessna Model 650 Citation VII aircraft which consists of the following components:

(a) Airframe bearing FAA Registration Mark N650W and manufacturer's Serial No. 650-7065.

(b) Two (2) AlliedSignal/Garrett TFE-731-4R-2S engine(s), respectively, bearing manufacturer's Serial Nos. P102243 and P102240, (each of which has 750 or more rated takeoff horsepower or the equivalent of such horsepower).

(c) Standard accessories and optional equipment and such other items fitted or installed on the Aircraft and as may be more particularly described hereinafter:

See Schedule A which is attached hereto and made a part hereof.

(d) Those items of Lessee furnished equipment described in a bill of sale or bills of sale therefor (copies of which may be appended hereto), delivered by Lessee to Lessor which constitute appliances and equipment which will be installed on the Aircraft.

Initials: Lessee: ^{MKD-WCI}~~MKD-TWR~~ Lessor: _____

SCHEDULE NO. 1

TO

LEASE SUPPLEMENT NO. 1

Description of Aircraft

1996 Cessna Model 650 Citation VII aircraft which consists of the following components:

(a) Airframe bearing FAA Registration Mark N650W and manufacturer's Serial No. 650-7065.

(b) Two (2) AlliedSignal/Garrett TFE-731-4R-2S engine(s), respectively, bearing manufacturer's Serial Nos. P102243 and P102240, (each of which has 750 or more rated takeoff horsepower or the equivalent of such horsepower).

(c) Standard accessories and optional equipment and such other items fitted or installed on the Aircraft and as may be more particularly described hereinafter:

See Schedule A which is attached hereto and made a part hereof.

(d) Those items of Lessee furnished equipment described in a bill of sale or bills of sale therefor (copies of which may be appended hereto), delivered by Lessee to Lessor which constitute appliances and equipment which will be installed on the Aircraft.

Initials: Lessee: _____ Lessor: WRC

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~~CONFIDENTIAL~~

AIRCRAFT SPECIFICATIONS (Subject to Prior Sale)

Citation VII Unit 7065

BASE PRICE

Integrated Primus II Package
EFIS Multi-Function Display (5th tube) - Honeywell (Exch)
Dual Honeywell NZ-2000 FMS with Provisions Only for VLF/Omega
(Primary) - 2nd DME Included
Honeywell 12 Channel GPS (Primary)
Honeywell 12 Channel GPS (Second)
Global AFIS
KHF-850 (Primary) - King
Locator Beacon - Arax 110
Cockpit Voice Recorder, Fairchild A200S
Air Baggage Heater (with switch in pedestal)
Tail Flood Light
Oxygen System (Exch) 78 cu ft
EROS Oxygen Masks (Exch)
Marathon Dual 44 amp/hr
Auxiliary Power Unit - Garrett 36-150W
Mobil 254 Engine Oil
Air Tailcone Engine Cover Storage Rack

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AIRCRAFT SPECIFICATIONS (Continued)

Citation VII, Unit 7065Interior - Tortuga/Wheat/Eronze

- Center Club Seating with Two-Place Side-Facing Couch
- RH Forward 19.5" Closet with CD Stereo
- Six Classic T-Back Cabin Seats
- Aft Vanity with Belted Toilet and Electrical Outlet
- LH Forward Refreshment Center with Removable Oven
- Polished Gold Plating
- High Gloss Burl Walnut with Almond Interior Compartments
- Eronze Cut Pile Carpet with Accents

Exterior - TBD

TBD - To Be Determined

SCHEDULE NO. 2

TO

LEASE SUPPLEMENT NO. 1

Financial Terms

Rent Commencement Date: April 1, 1996.

Basic Term: 120 months commencing April 1, 1996 and through and including March 31, 2006

Basic Rent Dates: First day of each and every calendar month from and including April 1, 1996 through March 1, 2006 (and if renewed through and including March 1, 2007)

First Basic Rent Date: April 1, 1996

Last Basic Rent Date: March 1, 2006

Expiration Date: March 31, 2006

Renewal Term: 12 months commencing April 1, 2006 and through and including March 31, 2007

Primary Hangar Location: Executive Beechcraft
10 Richards Road
Kansas City, MO 64116

Lessee's Chief Executive Offices and Principal Place of Business: 1010 Woodstead Court, Suite 220
The Woodlands, TX 77380

Acceptance Date: ~~March~~ April 10, 1996

Last Acceptance Date: March 31, 1996

Recovery Period: 5 years

Date of Last Financial Statements: December 31, 1995

Lessor's Cost: \$9,171,650.00

Initials: MKP-WRF
Lessee: MKP-TWG Lessor: _____

SCHEDULE NO. 2
TO
LEASE SUPPLEMENT NO. 1

Financial Terms

Rent Commencement Date: April 1, 1996.

Basic Term: 120 months commencing April 1, 1996 and through and including March 31, 2006

Basic Rent Dates: First day of each and every calendar month from and including April 1, 1996 through March 1, 2006 (and if renewed through and including March 1, 2007)

First Basic Rent Date: April 1, 1996

Last Basic Rent Date: March 1, 2006

Expiration Date: March 31, 2006

Renewal Term: 12 months commencing April 1, 2006 and through and including March 31, 2007

Primary Hangar Location: Executive Beechcraft
10 Richards Road
Kansas City, MO 64116

Lessee's Chief Executive Offices and Principal Place of Business: 1610 Woodstead Court, Suite 220
The Woodlands, TX 77380

Acceptance Date: ~~March~~ ^{April} 10, 1996

Last Acceptance Date: March 31, 1996

Recovery Period: 5 years

Date of Last Financial Statements: December 31, 1995

Lessor's Cost: \$9,171,650.00

Initials:
Lessee: _____ Lessor: JRC

53

\$ 74,553.04

WS021648

SCHEDULE NO. 2-A TO
LEASE SUPPLEMENT NO. 1

Daily Lease Rate:

Basic Rent:

Permitted Deductible:

Intentionally omitted from FAA filing counterpart as
containing confidential financial information.

SCHEDULE NO. 3 TO LEASE

SUPPLEMENT NO. 1

CASUALTY VALUES
=

Intentionally omitted from FAA filing counterpart as
containing confidential financial information.

WS021650

SCHEDULE NO. 4 TO LEASE

SUPPLEMENT NO. 1

EARLY PURCHASE OPTION AMOUNT

The Early Purchase Option Amount of the Aircraft for the Basic Rent Date set forth below shall be the percentage of the Lessor's Cost set forth opposite such Basic Rent Date.

<u>BASIC RENT DATE</u>	<u>APPLICABLE PERCENTAGE FACTOR</u>
March 1, 2003 (84th)	74.04%

Initials:

Lessee: *MKD-WCI* Lessor: _____

SCHEDULE NO. 4 TO LEASE

SUPPLEMENT NO. 1

EARLY PURCHASE OPTION AMOUNT

The Early Purchase Option Amount of the Aircraft for the Basic Rent Date set forth below shall be the percentage of the Lessor's Cost set forth opposite such Basic Rent Date.

<u>BASIC RENT DATE</u>	<u>APPLICABLE PERCENTAGE FACTOR</u>
March 1, 2003 (84th)	74.04%

Initials:

Lessee: _____ Lessor: DEC

SCHEDULE NO. 5 TO LEASE

SUPPLEMENT NO. 1

UPGRADE OPTION AMOUNT

Intentionally omitted from FAA filing counterpart as
containing confidential financial information.

WS021653

LEASE SUPPLEMENT NO. 2

under

AIRCRAFT LEASE dated as of March 26, 1996, by and between Fleet Credit Corporation, as lessor ("Lessor"), and Westar Capital, Inc., as assignee of The Wing Group, Limited Co., as lessee ("Lessee").

Manufacturer of Airframe: The Cessna Aircraft Company
Manufacturer of Engines: Allied-Signal Aerospace Company,
Garrett Engine Division
Supplier: The Cessna Aircraft Company

Purchase Documents:

1. Order or Aircraft Purchase Agreement between Supplier and The Wing Group, Limited Co. dated February 9, 1996.

2. Supplier's Warranty Bill of Sale to Lessor dated March __, 1996 relating to the 1996 Cessna Model 650 Citation VII aircraft, bearing FAA registration N650W and any related engines and parts; in form of Exhibit B to this Lease.

3. Warranty Agreements between Supplier and/or any other manufacturer or vendor and Lessee or Lessor, and, if applicable, the duly executed and authorized assignments of same to Lessor in form and substance satisfactory to Lessor.

4. FAA Bill of Sale.

5. Invoices for the Aircraft, including the Engines, from the Supplier thereof showing Lessor as the purchaser thereof, and evidence that such invoices have been / are paid in full.

6. Assignment of Purchase Agreement dated as of March __, 1996 ("Assignment") between Lessee, Lessor and Supplier, which Assignment shall be in form and substance satisfactory in all respect to Lessor.

Aircraft Marking (Referenced in Section 11 of the Lease):

Two-inch by four-inch plaque to be maintained in cockpit and affixed in conspicuous position stating:

"This property is Owned by and Leased from Fleet Credit Corporation, 50 Kennedy Plaza, Fifth Floor, Providence, Rhode Island 02903. Any removal, alteration, disposal or other change in the condition or location of this property must be approved by the Owner-Lessor."

Similar markings to be permanently affixed to each Engine.

Additional Maintenance Provisions and Other Purchase Documents:

IN WITNESS WHEREOF, the parties hereto have each caused this Lease Supplement No. 2 to be duly executed by their respective officers, thereunto duly authorized.

FLEET CREDIT CORPORATION,
AS LESSOR

By: David R. Cooney

Name: David R. Cooney

Title: AVP

Date: 3/26/96

WESTAR CAPITAL, INC., AS ASSIGNEE
OF THE WING GROUP, LIMITED CO.,
AS LESSEE

By: _____

Name: _____

Title: _____

Date: _____

Additional Maintenance Provisions and Other Purchase Documents:

IN WITNESS WHEREOF, the parties hereto have each caused this Lease Supplement No. 2 to be duly executed by their respective officers, thereunto duly authorized.

FLYET CREDIT CORPORATION,
AS LESSOR

By: _____

Name: _____

Title: _____

Date: _____

WESTAR CAPITAL, INC., AS ASSIGNEE
OF THE WING GROUP, LIMITED CO.,
AS LESSEE

By: Maureen K. Dalton

Name: Maureen K. Dalton

Title: Treasurer

Date: _____

Exhibit B

FULL WARRANTY BILL OF SALE

THE CESSNA AIRCRAFT COMPANY ("Seller"), with its principal place of business at One Cessna Boulevard, Wichita, Kansas, 67215, for and in consideration of the sum of US \$9,171,650.00 does hereby sell, grant, transfer, convey and deliver at Wichita, Kansas pursuant to Purchase Agreement Number CJ-VII-0296, dated February 9, 1996, as amended, between the Seller and Fleet Credit Corporation ("Purchaser and Assignee") all of its right, title and interest in, and to one Cessna Citation Model 650 aircraft, bearing manufacturer's serial number 650-7065 and FAA registration number N650W, equipped with two AlliedSignal/Garrett engines model TFE731-4R-2S, bearing manufacturer's serial number P102243 (left engine) and P102240 (right engine), avionics package (said aircraft and engines hereinafter referred to as the "Aircraft") unto Fleet Credit Corporation, its successors and assigns forever, together with all appliances, parts, instruments, appurtenances, accessories, furnishings or other equipment or property installed in or attached to said Aircraft.

Seller hereby warrants that it is owner and holder of full legal and beneficial title to the Aircraft, free and clear of any encumbrance, lien, charge or any other right, title or interest of others whatsoever. Seller further warrants that it has good and marketable title to and full power and lawful authority to sell, grant, transfer, convey and deliver the Aircraft to Fleet Credit Corporation, that this Full Warranty Bill of Sale is valid and effective to transfer and does transfer good and marketable title to the Aircraft to Fleet Credit Corporation and that Seller will warrant and defend such title forever against all claims and demands whatsoever.

IN WITNESS WHEREOF, Seller has caused this Full Warranty Bill of Sale to be signed and its seal affixed this _____ Day of _____, 1996.

THE CESSNA AIRCRAFT COMPANY

By: _____

Name: _____

Title: _____

WS021657

EXHIBIT C TO AIRCRAFT LEASE

OPINION LETTER
(Aircraft Lease)

(Date)

Re: Lease Aircraft

Gentlemen:

We have acted as counsel for _____ (hereinafter called the "Lessee"), a _____ corporation, in connection with the transaction between the Lessee and Fleet Credit Corporation, a Rhode Island corporation (hereinafter called "Lessor"), whereby the Lessee will lease from the Lessor, a _____ aircraft, Model No. _____, Serial No. _____, FAA Registration No. N _____, equipped with _____ () _____ engines, Model No. _____, left S/N: _____, right S/N: _____, (hereinafter collectively called the "Aircraft") under an Aircraft Lease between the Lessee and the Lessor dated as of _____, 19____, (said Aircraft Lease together with all Lease Supplements and Exhibits thereto from time to time collectively referred to as the "Lease"), upon and subject to the terms and conditions of the Lease. All capitalized terms used herein which are not otherwise defined herein shall have the meanings assigned to such terms in the Lease.

(Please insert a paragraph setting forth in detail the relationship and length of association of Counsel with the Lessee and a description of the review conducted by Counsel which shall, list among other things, the items reviewed and the inquiries and investigations involved in making the representations listed below.)

It is our opinion that:

1. Lessee is a corporation duly organized, validly existing and in good standing under the laws of the State of _____, and is qualified to do business in each jurisdiction in which such qualification is necessary in order for Lessee to carry on its business and to perform its obligations under the Lease, and is in good standing under the laws of each jurisdiction in which it is so qualified.

2. Lessee has the corporate power and authority to execute, deliver and perform the Lease and to lease the Aircraft from Lessor thereunder.

3. The leasing of the Aircraft from Lessor by Lessee, the execution and delivery of the Lease, the applicable FAA documents, Purchase Documents and other related instruments, documents and agreements, and the compliance by the Lessee with the terms thereof, and the payment and performance by

Lessee of all of its obligations thereunder (a) have been duly and legally authorized by appropriate corporate action taken by Lessee (b) are not in contravention of, and will not result in a violation or breach of, any of the terms of Lessee's Certificate of Incorporation (or equivalent document) its By-Laws, or of any provisions relating to shares of the capital stock of Lessee, and (c) will not violate or constitute a breach of any provision of law, any order of any court other governmental body, agency, authority or instrumentality or any indenture, agreement or other instrument to which Lessee is a party, or by or under which Lessee or any of Lessee's property is bound, or be in conflict with, result in a breach of, or constitute (with due notice and/or lapse of time) a default under any such indenture, agreement or any instrument, or result in the creation or imposition of any Lien upon any of Lessee's property or assets.

4. The Lease, the Purchase Documents, the applicable FAA documents and related instruments, documents and agreements with respect thereto and the Aircraft have been executed by the duly authorized officer or officers of Lessee and delivered to Lessor, and constitute the legal, valid and binding obligations of Lessee enforceable in accordance with the respective terms thereof.

5. Neither the execution and delivery of the Lease, the Purchase Documents, the applicable FAA documents and related instruments, documents and agreements with respect thereto and the Aircraft, nor the payment and performance by Lessee of all of its obligations under the foregoing documents, require the consent or approval of, the giving of notice to, or the registration, filing or recording with, or the taking of any other action in respect of, the Federal Aviation Administration, the Department of Transportation or any other federal, state, local or foreign government or governmental authority or agency, except for the registration, recording and filing referred to in paragraph 8 hereof.

6. No mortgage, deed of trust, or other Lien which now covers or affects, or which may hereafter cover or affect, any property or interest therein of Lessee, now attaches or hereafter will attach to the Aircraft, the Airframe or any Engine, or in any manner affects or will affect adversely Lessor's right, title and interest therein.

7. There is no litigation or other proceedings now pending, or to the best of our knowledge threatened, against the Lessee, in any court or before any regulatory commission, board or other administrative governmental agency, authority, body or instrumentality which would directly or indirectly adversely affect or impair the title of Lessor to the Aircraft, or which, if decided adversely to Lessee, would materially adversely affect the business operations or financial condition of Lessee.

8. Lessee is a "citizen of the United States" within the meaning of the Federal Aviation Act of 1958, as amended.

9. Lessee is a wholly-owned subsidiary of Western Resources, Inc.

Very truly yours,

fleet\wing\jpb17713

EXHIBIT D

ASSIGNMENT AND ASSUMPTION AGREEMENT

This Assignment and Assumption Agreement ("Agreement") dated as of March 26, 1996 is executed by and between The Wing Group, Limited Co. a Delaware corporation ("Transferor"), having its principal place of business and chief executive office at 1610 Woodstead Court, Suite 220, The Woodlands, TX 77380, Westar Capital, INC. a Kansas corporation ("Transferee"), having its principal place of business and chief executive office at 818 Kansas Avenue, Topeka, Kansas 66612, and Fleet Credit Corporation of 50 Kennedy Plaza, Fifth Floor, Providence, Rhode Island 02903 ("Lessor").

W I T N E S S E T H

WHEREAS, Lessor and Transferor have entered into a certain Aircraft Lease dated as of March 26, 1996 (the "Lease") regarding a certain 1996 Cessna Model 650 Citation VII Serial No. 650-7065, FAA Mark N650W (hereinafter referred to as the "Aircraft"), two (2) AlliedSignal/Garrett TPE-731-4R-2S engines respectively bearing manufacturer's Serial Nos. F102243 and F102240 (collectively, the "Engines") and certain other equipment leased under the Lease, all as more particularly described in the Lease (said Aircraft, Engines and all other equipment sometimes hereinafter collectively referred to as the "Leased Equipment"); and

WHEREAS, the Transferor desires to assign to Transferee all of Transferor's right, title and interest in and to the Lease, any schedules, supplements, instruments, documents or agreements executed and/or delivered in connection with the Lease (collectively, the "Other Lease Documents") and the Leased Equipment; and

WHEREAS, the Transferee desires to accept the assignment contained herein and assume all of the duties, agreements, representations, warranties, obligations and liabilities of Transferor in and to the Lease, the Other Lease Documents and the Leased Equipment to the same extent as if the Transferee had executed the Lease and the Other Lease Documents, pursuant to the terms contained below; and

WHEREAS, the Transferor and the Transferee have requested that the Lessor consent to the foregoing proposed assignment and assumption of the Lease, the Other Leased Documents and the Leased Equipment; and

WHEREAS, the Lessor has agreed to the foregoing request of the Transferor and the Transferee, but only on the terms and conditions contained in this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Transferor, Transferee and Lessor hereby agree as follows:

SECTION 1. Assignment. Transferor hereby assigns and

transfers to Transferee all of its right, title and interest in and to the Lease, the Other Lease Documents and the Leased Equipment.

SECTION 2. ASSUMPTION. Transferee hereby accepts the assignment contained in Section 1 hereof and also assumes and agrees to perform all of the duties, representations, warranties, agreements, obligations and liabilities of the Transferor in, to and under the Lease, the Other Lease Documents and the Leased Equipment to the same extent as if the Transferee had executed the Lease and the Other Lease Documents for all purposes. Without limiting the generality of the foregoing, Transferee hereby further (i) agrees to be bound by all of the terms and conditions of the Lease and the Other Lease Documents, and also accepts all of the Transferor's rights, interest, duties, representations, warranties, agreements, obligations and liabilities thereunder for all purposes, (ii) agrees that Transferee shall be deemed the "Lessee" under the terms of the Lease and any Other Lease Documents for all purposes effective as of the date hereof, and (iii) agrees that the Lessor may proceed against the Transferee for any breach by Transferee of any terms or conditions of the Lease and/or any Other Lease Documents pursuant to the terms and conditions of the Lease and/or any Other Lease Documents.

SECTION 3. Release of Liability of Transferor. Transferor shall be released from any and all duties, obligations and liabilities under the Lease and the Other Lease Documents effective upon the date that Lessor receives (i) this Agreement duly executed by the Transferor and the Transferee, and (ii) any other documents or instruments that Lessor requests pursuant to the terms and conditions of Section 16 of the Lease.

SECTION 4. Event of Default under the Lease. Transferor and Transferee hereby acknowledge and agree that any breach by Transferor or Transferee of any representation, warranty or agreement contained in this Agreement shall be an Event of Default under the Lease or any Other Lease Documents for all purposes.

SECTION 5. Representations, Warranties and Agreements of Transferee.

Without limiting the generality of any terms or conditions of the Lease (including, without limitation, any representations and warranties contained therein), Transferee hereby represents, warrants and agrees for the benefit of the Lessor as follows:

(a) Due Organization of Transferee. Transferee is a corporation and is duly organized and existing in good standing under the laws of the State of Kansas and is duly qualified to do business wherever necessary to carry on its present business and operations and to own its property, including, without limitation, the Primary Hangar Location.

(b) Due Authorization of Transferee: No Violation by

Transferee. This Agreement, Lease Supplement No. 1, Lease Supplement No. 2, and any schedules relating to said lease supplements, have been duly authorized by all necessary action on the part of Transferee consistent with its form of organization, do not require any further shareholder, member or partner approval, do not require the approval of, or the giving notice to, any Federal, state, local or foreign governmental authority (including, without limitation, the Department of Transportation and/or the FAA) and do not contravene any law binding on Transferee or contravene any provision of, or constitute a default or result in the creation of any Lien other than a Permitted Lien under any certificate or articles of incorporation or organization or by-laws or partnership certificate or agreement, or any agreement, indenture, or other instrument to which Transferee is a party or by which it may be bound.

(c) Enforceability of Agreement. This Agreement, Lease Supplement No. 1, Lease Supplement No. 2, and any schedules relating to said lease supplements, have been duly executed and delivered by authorized officers or partners of Transferee and constitute legal, valid and binding obligations of Transferee enforceable in accordance with their respective terms.

(d) Financial Statements of Transferee. Transferee agrees to furnish Lessor (i) as soon as available, and in any event within one hundred twenty (120) days after the last day of each fiscal year of Transferee, a copy of the balance sheets of Transferee as of the end of such fiscal year, and related statements of income and retained earnings of Transferee for such fiscal year, all in reasonable detail prepared in accordance with generally accepted accounting principles consistently applied and certified by an independent certified public accounting firm of recognized standing and which is reasonably acceptable to Lessor, each on a comparative basis with corresponding statements for the prior fiscal year; (ii) within forty five (45) days after the last day of each fiscal quarter of Transferee (except the last fiscal quarter of any fiscal year), a copy of the balance sheet of Transferee as of the end of each such quarter, and statement of income and retained earnings covering the fiscal year to date of Transferee, each on a comparative basis with the corresponding period of the prior year, all in reasonable detail and certified by the treasurer or principal financial officer of Transferee and (iii) within thirty (30) days after the date on which they are filed, all reports, forms and other filings, if any, required to be made by Transferee to the Securities and Exchange Commission ("SEC") or (in respect of the Aircraft or the Lease) the FAA, including, without limitation, any SEC Form 10-Q and related reports or documents. All credit, financial and other information provided by Transferee or at Transferee's direction is, and all such information hereafter furnished will be, true, correct and complete in all material respects.

(e) Furnishing of Information. Transferee agrees that it shall furnish from time to time to Lessor such information

relating to Transferee and/or Western Resources, Inc. ("Western"), and their respective subsidiaries and/or affiliates, financial or otherwise, as Lessor shall reasonably request.

(f) Location of Chief Executive Offices. The chief executive offices and principal place of business of Transferee is 818 Kansas Avenue, Topeka, Kansas 66612, and Transferee agrees to give Lessor thirty (30) days' prior written notice of any relocation of said chief executive offices or principal place of business from its present location, or of any change in its name or identity.

(g) Documents on Board. A current and valid Registration Application or Certificate of Aircraft Registration, and a copy of the Lease and the Lease Supplements, will be kept on board the Aircraft at all times during the term of the Lease.

(h) Selection of Aircraft. Lessor has not selected, manufactured or supplied the Aircraft or any other Leased Equipment to Transferee and has acquired the Aircraft and any other Leased Equipment subject hereto solely in connection with the Lease and Transferee has received and approved the terms of any purchase order or agreement with respect to the Aircraft and any other Leased Equipment.

(i) Litigation relating to Transferee. There are no proceedings pending or, so far as the officers of Transferee know, threatened against or affecting Transferee or any of its property before any court, administrative officer or administrative agency which would have a material and adverse effect on the title of Lessor to the Aircraft or to any other Leased Equipment, or which, if decided adversely affect the financial condition or operations of Transferee or the ability of Transferee to perform its obligations under the Lease or any Other Lease Documents. Further, Transferee is not in default under any material obligation for the payment of borrowed money, for the deferred purchase price of property, or for the payment of any rent which, either individually or in the aggregate, would have the same such effect.

(j) No Adverse Mortgages. The right, title and interest of Lessor in and to the Aircraft or any other Leased Equipment and the Rent will not be adversely affected or impaired by the terms of any mortgage, loan agreement or indenture or any other contract, agreement or instrument to which Transferee is a party, or under which it or any of its property is or may become bound. In addition, no mortgage, deed of trust, or other Lien which now covers or affects, or which may hereafter cover or affect, any property or interest therein of Transferee, now attaches or hereafter will attach to the Aircraft, the Airframe, any Engine or any other Leased Equipment, or in any manner affects or will affect adversely Lessor's right, title and interest therein.

(k) Taxes. Transferee has filed or caused to be filed and will continue to file all Federal, state and local tax returns

which are required to be filed, and has paid or caused to be paid and will continue to pay all taxes shown to be due and payable on such returns or (except to the extent being contested in good faith and for the payment of which adequate reserves have been provided) on any assessment received by Transferee, to the extent that such taxes have heretofore or in the future become due and payable.

(l) Filing. Except for the registration of the Aircraft with the FAA and except for filing and recording of the applicable documents pursuant to the Federal Aviation Act no further action, including any filing or recording of any document (except for any financing statement under Article 9 of the UCC of any applicable jurisdiction to be filed pursuant hereto) is necessary or advisable in order to establish and perfect Lessor's title to and interest in, the Aircraft and any other Leased Equipment, as against Transferee and/or any Person in any applicable jurisdiction.

(m) Good Title. Lessor will be the owner of the Aircraft as of the Acceptance Date and will have good and marketable title to the Aircraft, free and clear of all Liens other than any Liens created in favor of Lessor under the Lease.

(n) Records. Transferee has reviewed all Records with respect to the operation and maintenance of the Aircraft prior to the Acceptance Date and such Records have been kept in accordance with the requirements of the FAA rules and regulations and industry standards. Transferee shall maintain all such Records during the Term of the Lease in accordance with the requirements of the FAA, and any manufacturer's maintenance programs or requirements as well as Sections 8 and 11 of the Lease.

(o) Claims. Transferee has no pending claims, and does not have knowledge of any facts upon which a future claim may be based, against any prior owner, the Manufacturer or Supplier of the Aircraft or of any Engine or part thereof or of any other Leased Equipment for breach of warranty or otherwise.

(p) U.S. Citizen. The Transferee is and will continue to be a "citizen of the United States" within the meaning of the Federal Aviation Act.

(q) Engines. Each of the Engines has 750 or greater rated takeoff horsepower or the equivalent of such horsepower.

(r) Corporate Existence; Merger, Sale, etc. Transferee shall at all times maintain its corporate existence and, shall not consolidate, reorganize or merge with or into any other corporation or Person, or sell, convey, transfer or lease, as applicable, all or substantially all of its assets or stock to any Person, or become the subject of, or engage in, a leveraged buy out or any other form of corporate reorganization without the prior written consent of Lessor.

(B) Wholly-owned subsidiary of Western. Transferee shall at all times be a wholly-owned subsidiary of Western.

SECTION 6. Representations and Warranties of Transferor. Transferor represents and warrants to Lessor that (i) Transferor's execution and delivery of this Agreement and any other documents and instruments executed or delivered in connection therewith have been duly authorized and executed on its part and will be a legal, valid, binding and enforceable agreement against Transferor in accordance with its terms; (ii) Transferor has full power and authority to execute, deliver and perform its obligations under this Agreement, and any other documents and instruments executed or delivered in connection therewith; and, (iii) all required consents for Transferor's execution, delivery and performance of this Agreement and any other documents and instruments executed or delivered in connection therewith have been duly obtained.

SECTION 7. Lessor Consent. In consideration of the Transferor's and the Transferee's respective representations, warranties and agreements contained in this Agreement, Lessor hereby consents to the assignment and assumption of the Lease, the Other Lease Documents and the Leased Equipment, and the release of the Transferor from any liability under the Lease and any Other Lease Documents, pursuant to the terms and conditions of this Agreement.

SECTION 8. Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts and all of said counterparts taken together shall be deemed and constitute one and the same instrument.

SECTION 9. Severability of Provisions. If any provision in this Agreement or any part thereof is held invalid or unenforceable, such invalidity or unenforceability shall not affect or impair the validity or the enforceability of the remaining provisions, or any part thereof, of this Agreement.

SECTION 10. Entire Agreement. Except for the Lease and the Other Lease Documents, this Agreement constitutes the entire agreement between the parties hereto, and supersedes all prior or contemporaneous agreements, communications and understandings, both written or oral with respect to the subject matter of this Agreement. This section shall not be construed to apply to any other existing or future financing arrangements between the Transferor or the Transferee and the Lessor, as the case may be, if any, which are not the subject of this Agreement.

SECTION 11. Section Titles; Construction. The section titles contained in this Agreement are for convenience only and are without substantive meaning or content of any kind and shall not be considered part of this Agreement. Unless the context otherwise requires, singular nouns and pronouns, when used herein, shall be

deemed to include the plural and vice versa, and impersonal pronouns shall be deemed to include the personal pronoun of the appropriate gender.

SECTION 12. No Waiver. THIS AGREEMENT SHALL NOT BE MODIFIED, ALTERED, AMENDED OR WAIVED IN WHOLE OR IN PART EXCEPT IN WRITING DULY SIGNED BY EACH PARTY OR BY EACH PARTY'S AUTHORIZED REPRESENTATIVE. ANY WAIVER SHALL BE EFFECTIVE ONLY IN THE SPECIFIC INSTANCE AND FOR THE SPECIFIC PURPOSE FOR WHICH IT IS GIVEN. NO FAILURE TO EXERCISE, OR DELAY IN EXERCISING, ANY RIGHT HEREUNDER SHALL OPERATE AS A WAIVER THEREOF; NOR SHALL ANY FAILURE TO EXERCISE, OR PARTIAL EXERCISE OF, ANY RIGHT HEREUNDER PRECLUDE ANY OTHER OR FURTHER EXERCISE THEREOF OR THE EXERCISE OF ANY OTHER RIGHT.

SECTION 13. Binding Nature. This Agreement shall be binding upon the Transferor and the Transferee and their respective representatives, successors, transferees and assigns and the benefits hereof shall extend to and include the Lessor and its successors, representatives, transferees and assigns.

SECTION 14. No Amendments of Lease. Except as expressly modified or amended herein, the terms and conditions of the Lease and any Other Lease Documents shall remain in full force and effect in accordance with their respective original tenor. Without limiting the generality of the foregoing or any other terms of this Agreement, nothing contained herein shall be interpreted or construed in any way whatsoever to limit the various provisions of the Lease and any Other Lease Documents except as otherwise expressly provided herein. In the event that any term or provision of this Agreement conflicts with any term or provision of the Lease or any Other Lease Documents, the applicable terms and provisions of the Lease or any Other Lease Documents shall control for all purposes. However, in the event that any representations, warranties or agreements contained in Section 5 of this Agreement conflict with any term or condition of the Lease or any Other Leased Documents, the applicable representation, warranty or agreement contained in Section 5 of this Agreement shall control for all purposes.

SECTION 15. Survival of Representations; Defined Terms. All representations, warranties and agreements made hereunder and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement, the Lease, the Other Lease Documents and all other documents or instruments executed and/or delivered in connection therewith. Terms used herein and not otherwise defined herein shall have the meanings set forth in the Lease or in any Other Lease Documents.

SECTION 16. Governing Law; Consent to Jurisdiction. This Agreement shall be deemed to have been executed in Rhode Island by

virtue of the Lessor having countersigned and accepted this Agreement in Rhode Island and shall be deemed to be performed in Rhode Island by virtue of the payment of Rent to be made to Lessor in Rhode Island, and this Agreement shall be delivered for closing purposes in Lessor's office at 50 Kennedy Plaza, Providence, Rhode Island. This Agreement shall in all respects be governed by, and construed in accordance with, the laws of the State of Rhode Island, without giving effect to principles of conflicts of law or choice of law, including all matters of construction, validity and performance. Transferor and Transferee hereby irrevocably consent and agree that any legal action, suit or proceeding arising out of or in any way in connection with this Agreement may be instituted or brought in the courts of the State of Rhode Island or the United States District Court for the District of Rhode Island, as Lessor may elect, and by execution and delivery of this Agreement, Transferor and Transferee hereby irrevocably accept and submit to, for themselves and in respect of their respective property, generally and unconditionally, the non-exclusive jurisdiction of any such court, and to all proceedings in such courts. TRANSFEEE AND TRANSFEROR ACKNOWLEDGE AND AGREE THAT THIS AGREEMENT IS A COMMERCIAL TRANSACTION. TRANSFEEE AND TRANSFEROR ALSO HEREBY KNOWINGLY AND FREELY WAIVES ALL RIGHTS TO TRIAL BY JURY IN ANY LITIGATION ARISING HEREFROM OR IN RELATION HERETO. Any action by Transferor or Transferee against Lessor for any cause of action relating to this Agreement shall be brought within one year after any such cause of action first arises.

SECTION 17. Truth in Leasing. (A) TRANSFEEE HAS REVIEWED THE AIRCRAFT'S MAINTENANCE AND OPERATING LOGS SINCE ITS DATE OF MANUFACTURE AND HAS FOUND THAT THE AIRCRAFT HAS BEEN MAINTAINED AND INSPECTED UNDER PART 91 OF THE FEDERAL AVIATION REGULATIONS. TRANSFEEE CERTIFIES THAT THE AIRCRAFT PRESENTLY COMPLIES WITH THE APPLICABLE MAINTENANCE AND INSPECTION REQUIREMENTS OF PART 91 OF THE FEDERAL AVIATION REGULATIONS. (B) TRANSFEEE CERTIFIES THAT TRANSFEEE, AND NOT LESSOR, IS RESPONSIBLE FOR OPERATIONAL CONTROL OF THE AIRCRAFT UNDER THE LEASE DURING THE TERM THEREOF. TRANSFEEE FURTHER CERTIFIES THAT TRANSFEEE UNDERSTANDS ITS RESPONSIBILITY FOR COMPLIANCE WITH APPLICABLE FEDERAL AVIATION REGULATIONS. (C) TRANSFEEE ALSO CERTIFIES THAT THE AIRCRAFT WILL BE MAINTAINED AND INSPECTED UNDER PART 91 OF THE FEDERAL AVIATION REGULATIONS FOR OPERATIONS TO BE CONDUCTED UNDER THE LEASE. TRANSFEEE UNDERSTANDS THAT AN EXPLANATION OF FACTORS BEARING AN OPERATIONAL CONTROL UNDER PERTINENT FEDERAL AVIATION REGULATIONS CAN BE OBTAINED FROM THE NEAREST FAA FLIGHT STANDARDS DISTRICT OFFICE, GENERAL AVIATION DISTRICT OFFICE OR AIR CARRIER DISTRICT OFFICE.

[This space intentionally left blank.]

IN WITNESS WHEREOF, the parties have executed this Agreement by their respective duly authorized representatives as of the date and year first above written.

TRANSFEROR:

THE WING GROUP, LIMITED CO.

By: _____

Title: _____

TRANSFeree:

WESTAR CAPITAL, INC.

By: _____

Title: _____

LESSOR:

FLEET CREDIT CORPORATION

By: _____

Title: _____

flect/wing/jpb17714

EXHIBIT E
SAMPLE LETTER OF CREDIT
(TO BE SUPPLIED ON LETTERHEAD OF ISSUER)

Irrevocable Letter of Credit Number: _____
Issue Date: _____
Expiration Date: _____

FLEET CREDIT CORPORATION
50 Kennedy Plaza
Providence, Rhode Island 02903-2305

Gentlemen:

We hereby establish in your favor, for the account of _____ ("Customer") our Irrevocable Letter of Credit (this "Credit") in the amount of \$ _____ U.S. DOLLARS (\$ _____). Funds under this Credit are available to you, in any number of draws, by your sight drafts drawn on us identifying the above-referenced Credit Number, if presented at our office prior to the expiration of this Credit together with the original of this Credit and either of the following statements signed by you:

1. "We are drawing under Irrevocable Letter of Credit No. _____ because [***CUSTOMER***] is in default under the terms of one or more agreements with us"; or
2. "We are drawing under Irrevocable Letter of Credit No. _____ because [***ISSUER***] has elected not to renew such Credit."

This Credit expires at the close of business on _____, 19____. However, unless we elect not to renew this Credit, it will be automatically renewed for _____ additional consecutive periods of not less than one-year each through and including _____ without further act, notice or documentation by you, or us or Customer. If we elect not to extend this Credit beyond any applicable expiration date, we shall provide you with written notice of such election, at least sixty (60) days prior to such expiration date, which notice shall be sent by certified mail, return receipt requested, to you at the address set forth above, and which shall specifically identify Customer by name and this Credit by date and number.

Drafts drawn under and in substantial conformity with the terms of this Credit will be duly honored on presentation, if presented on or before the then applicable expiration date of this Credit. If we fail to honor or dishonor any draft within three (3) business days following its presentation, we shall be precluded from claiming that such draw is not in conformity with the terms of this Credit.

This Credit is transferable by you, either in whole or in part, and is subject to the Uniform Customs and Practice for Documentary Credits (1993 Revision), International Chamber of Commerce - Publication 500.

Very truly yours,

(NAME OF ISSUER)

FLEET CREDIT CORPORATION
50 Kennedy Plaza
Providence, RI 02903

F A X C O V E R S H E E T

DATE:	July 19, 1996	TIME:	11:33 AM
TO:	E. Lynn Cook Western Resources	PHONE:	REDACTED
		FAX:	
FROM:	David R. Coumoyer Fleet Credit Corporation	PHONE:	
		FAX:	
RE:	Westar Capital - Aircraft Lease		
Number of pages including cover sheet: 3			

Message

CONFIDENTIAL

Pursuant to our discussion earlier this morning, attached is Schedule No. 2 to Lease Supplement No. 1, signed in counterpart, for the aforementioned lease. Please note that the Expiration Date is April 30. If you have any other questions, please feel free to call me at the phone number above.

Thank you in advance for your cooperation.

SCHEDULE NO. 2

TO

LEASE SUPPLEMENT NO. 1

Financial Terms

Rent Commencement Date: May 1, 1996.

Basic Term: 120 months commencing May 1, 1996 and through and including April 30, 2006

Basic Rent Dates: First day of each and every calendar month from and including May 1, 1996 through April 1, 2006 (and if renewed through and including April 1, 2007)

First Basic Rent Date: May 1, 1996

Last Basic Rent Date: April 1, 2006

Expiration Date: April 30, 2006 (and if renewed, April 30, 2007)

Renewal Term: 12 months commencing May 1, 2006 and through and including April 30, 2007

Primary Hangar Location: Executive Beechcraft
10 Richards Road
Kansas City, MO 64116

Lessee's Chief Executive Offices and Principal Place of Business: 818 Kansas Avenue
Topeka, KS 66601

Acceptance Date: April 10, 1996

Last Acceptance Date: April 19, 1996

Recovery Period: 5 years

Date of Last Financial Statements: December 31, 1995

Lessor's Cost: \$9,171,650.00

Initials:
 Lessee: MLT Lessor: _____

SCHEDULE NO. 2

TO

LEASE SUPPLEMENT NO. 1

Financial Terms

Rent Commencement Date: May 1, 1996.

Basic Term: 120 months commencing May 1, 1996 and through and including April 30, 2006

Basic Rent Dates: First day of each and every calendar month from and including May 1, 1996 through April 1, 2006 (and if renewed through and including April 1, 2007)

First Basic Rent Date: May 1, 1996

Last Basic Rent Date: April 1, 2006

Expiration Date: April 30, 2006 (and if renewed, April 30, 2007)

Renewal Term: 12 months commencing May 1, 2006 and through and including April 30, 2007

Primary Hangar Location: Executive Beechcraft
10 Richards Road
Kansas City, MO 64116

Lessee's Chief Executive Offices and Principal Place of Business: 818 Kansas Avenue
Topeka, KS 66601

Acceptance Date: April 10, 1996

Last Acceptance Date: April 19, 1996

Recovery Period: 5 years

Date of Last Financial Statements: December 31, 1995

Lessor's Cost: \$9,171,650.00

Initials:

Lessee: _____ Lessor: WCC

Ryan Cook

FLEET CAPITAL LEASING
50 KENNEDY PLAZA, 5TH FLOOR
PROVIDENCE, RI 02903

Fax Cover Sheet

DATE: July 1, 1996 TIME: 4:00 PM

TO: Jerry Courington PHONE: **REDACTED**
Westar Capital, Inc. FAX:

FROM: David Coumoyer PHONE:
Fleet Capital Leasing FAX:

RE: Invoice and Revision to Letter of Credit

Number of pages including cover sheet: 2

CONFIDENTIAL

Message

Pursuant to our conversation earlier today, attached is the invoice for the legal expenses incurred during the Westar Capital, Inc. aircraft lease transaction.

In addition, due to the timing of the closing, the expiration date on the Irrevocable Letter of Credit (#T-253928) needs to be amended to reflect an expiry of April 30.

If you have any questions, please feel free to call me at the number above or Sandra Buonaiuto at

REDACTED

Since I will be away on vacation beginning July 4, please forward the payment and letter of credit revision to the attention of Ms. Buonaiuto.

Thank you in advance for your cooperation.

Sub #2

Lynn - could you handle this.
[Signature]

SCHEDULE NO. 2-A
TO
LEASE SUPPLEMENT NO. 1

Financial Terms (continued)

Daily Lease Rate:	\$2,350.53
Basic Rent:	\$70,516.00
Permitted Deductible:	\$50,000.00 per occurrence

Initials:

Lessee: MLK Lessor: _____