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July 5, 2016

Re: Airplanes Group -- June 28 Notice of Default

Andrew Silverstein, Esq.
Seward & Kissel LLP
One Battery Park Plaza
New York, New York 10004

Brendan Meyer
Deutsche Bank Trust Company Americas
c/o Deutsche Bank National Trust Company
Global Securities Services
100 Plaza One, 6th Floor
MSJCY03-0699
Jersey City, NJ 07311-3901

Dear Messrs. Silverstein and Meyer:

I write on behalf of Airplanes Group in response to the Notice of Events of Default and Notice of Default issued by DBTCA to Airplanes Group and dated June 28, 2016 (the "Notice of Default").[1] The Notice of Default asserts the existence of two Events of Default, declares the Outstanding Principal Balance of the Notes and all accrued interest thereon to be due and payable, and notes that the Security Trustee intends to retain the Collateral intact and refrain from distributing amounts from the Accounts. There is, however, no Event of Default under the Airplanes Limited Indenture (and therefore no Event of Default under the Airplanes Trust Indenture). The action taken by DBTCA, which appears to ignore Airplanes Limited's public disclosures, risks substantial harm not only to Airplanes Group, but also to the very parties on whose behalf DBTCA is acting.

There Is No Event Of Default

The Notice of Default cites Section 4.01(h) of the Airplanes Limited Indenture as one of the two bases for the declaration of default. Section 4.01 makes clear that an "Event of Default shall be deemed to exist and continue so long as, but only so long as, it shall not have been remedied...." (Emphasis added). As DBTCA will be aware, the judgment rendered against Holdings was overturned on appeal in October 2013 and all orders to pay and associated letters of guarantee were cancelled or released in 2014. See, e.g., the discussion of Transbrasil Legal Proceedings in the 2015 and 2016 Annual Reports of Airplanes Group. As there is currently no judgment or order for the payment of money against Holdings, nor has there been such a judgment or order

[1] Capitalized terms not otherwise defined herein shall have the meaning assigned to them in the Notice of Default.

in place for more than two years, there is absolutely no basis for the Controlling Holders or DBTCA to assert the existence of an Event of Default under Section 4.01(h).[2]

Nor is there an Event of Default under Section 4.01(c) of the Airplanes Limited Indenture. Section 3.08 of the Airplanes Limited Indenture makes it clear that Expenses rank higher in priority than payments due to the holders of the Subclass A-9 Notes (whether before or after delivery of a Default Notice). It is well settled that judgments and/or settlements qualify as an expense of doing business where the acts that gave rise to the litigation originated in the judgment debtor's trade or business, here the collection of amounts due under certain airplane lease agreements. The basis for treating the contingent liability to Transbrasil as an Expense and the increases to, and maintenance of, the Reserve in light of the contingent exposure created by the litigation with Transbrasil is fully set forth in Airplanes Group's Annual and Quarterly Reports and has been available for DBTCA's and the Controlling Holders' review and consideration since June 2012. In addition, the advisors for Airplanes Group have been in regular contact with both current and prior counsel to the Controlling Holders to explain the Reserve decisions and to provide updates on the litigation with Transbrasil. Nothing in either the Notice of Default or the accompanying direction letter provides any basis for challenging the propriety of the decisions made with respect to the Reserve.

For these same reasons, there has been no breach of any covenant in the Airplanes Limited Indenture, including Section 5.02(e). The contingent exposure arising from the litigation with Transbrasil arises from efforts to collect on debts due and owing to Holdings from Transbrasil (i.e. the promissory notes issued by Transbrasil to Holdings in settlement of Transbrasil's delinquent lease obligations). Taking action to collect debts owed is clearly within the ambit of Section 5.02(e)(i) (and is a specific duty of the Servicer under the Servicing Agreement). The obligation which Airplanes Limited has to pay the Expenses of Holdings, as an Airplanes Group Member, arises on foot of the Airplanes Limited Indenture and is enforceable by Holdings under the express provisions of the intercompany loan agreement (which itself refers to the priority of payment provisions in the Airplanes Limited Indenture) between, amongst others, those parties and has been in place since the March 1996 closing date. Airplanes Limited's obligation to pay such Expenses is the corollary for the fact that Holdings (and the other subsidiaries of Airplanes Limited) have agreed to remit all of their Collections to the Collection Account. This obligation of Airplanes Limited is therefore clearly outside the restrictions of Section 5.02(e)(ii). Moreover, Section 5.02(e)(i) clearly contemplates that ancillary activities are undertaken by Airplanes Group. Given that Holdings has a contingent liability to Transbrasil which arose from a permitted business activity, the negotiations with GECAS concerning the Transbrasil litigation, which are an attempt to effectively cap Holdings' contingent liability and allow the release of a significant portion of the Reserve, are clearly also within the ambit of Section 5.02(e)(i).

As there is no colorable basis on which a claim for an existing Default or Event of Default can be based, Airplanes Group requests that DBTCA immediately withdraw the Notice of Default. Further, this letter shall place DBTCA on notice that any action taken to retain Collateral and prevent payments from being made from the Accounts risks immediate and irreparable harm to

[2] We would also note that, as disclosed in previous periodic reports of Airplanes Group including the 2013 and 2014 Annual Reports, the orders to pay issued in 2012 to Holdings and the other lessor companies (which have now been cancelled) did not assign any particular amount to be paid by Holdings or any of the other lessor companies with respect to one of the promissory notes and it was not possible to calculate such amount without further guidance from the Brazilian Court (which was never received). Thus it was not possible to determine whether the orders to pay, insofar as they related to amounts payable by Holdings, were in excess of US$100 million.

Airplanes Group and its investors. The advisors for Airplanes Group are available to discuss these issues further with you and request a call or meeting be confirmed without delay.

Airplanes Group requests that DBTCA provide a copy of this response to all recipients of the Notice of Default (other than Airplanes Group).

Airplanes Group reserves all rights, including the right to seek emergency relief from the issuance of the Notice of Default and the actions taken by the Indenture Trustee, the Pass Through Trustee and the Security Trustee.

Very truly yours,

James I. McClammy

Overnight Courier