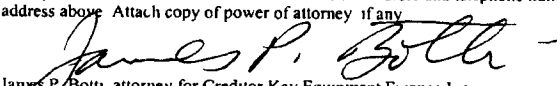


Case 2 08-bk-62733 Claim 194-2 Filed 02/09/10 Desc Main Document UNITED STATES BANKRUPTCY COURT FOR THE SOUTHERN DISTRICT OF OHIO AT COLUMBUS		Page 1 of 1 PROOF OF CLAIM
Name of Debtor TRIAD RESOURCES, INC , ET AL		Case Number 08 62733 JOINTLY ADMINISTERED
NOTE This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.		
Name of Creditor (the person or other entity to whom the debtor owes money or property) Key Equipment Finance Inc. Name and address where notices should be sent c/o James P. Botti, Esq Porter, Wright Morris & Arthur LLP 41 South High Street, Columbus, OH 43215 Telephone number (614) 227-2178 jbotti@porterwright.com		<input checked="" type="checkbox"/> Check this box to indicate that this claim amends a previously filed claim. Court Claim Number 33-00194 (If known) Filed on May 19, 2009
Name and address where payment should be sent (if different from above) Same as above Telephone number		<input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars. <input type="checkbox"/> Check this box if you are the debtor or trustee in this case.
1 Amount of Claim as of Date Case Filed \$5,294,930.13 (see attached for detail) If all or part of your claim is secured, complete item 4 below. However, if all of your claim is unsecured, do not complete item 4. If all or part of your claim is entitled to priority, complete item 5. <input checked="" type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.		<input type="checkbox"/> Amount of Claim Entitled to Priority under 11 U.S.C. § 507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount. Specify the priority of the claim: <input type="checkbox"/> Domestic support obligations under 11 U.S.C. § 507 (a)(1)(A) or (a)(1)(B). <input type="checkbox"/> Wages, salaries, or commissions (up to \$10,950*) earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier – 11 U.S.C. § 507 (a)(4). <input type="checkbox"/> Contributions to an employee benefit plan – 11 U.S.C. § 507 (a)(5). <input type="checkbox"/> Up to \$2,425* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use – 11 U.S.C. § 507 (a)(7). <input type="checkbox"/> Taxes or penalties owed to governmental units – 11 U.S.C. § 507 (a)(8). <input type="checkbox"/> Other – Specify applicable paragraph of 11 U.S.C. § 507 (a) U.
2 Basis for Claim Guaranty of an obligation of Kean Aviation (see attached for detail)		
3 Last four digits of any number by which creditor identifies debtor _____ 3a Debtor may have scheduled account as _____ (See instruction #3a on reverse side)		
4 Secured Claim (See instruction #4 on reverse side) Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information. Nature of property or right of setoff <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other Describe _____ Value of Property \$ _____ Annual Interest Rate _____ % Amount of arrearage and other charges as of time case filed included in secured claim If any \$ _____ Basis for perfection _____ Amount of Secured Claim \$ _____ Amount Unsecured \$ _____		Amount entitled to priority \$ _____ *Amounts are subject to adjustment on 4/1/10 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.
6 Credits The amount of all payments on this claim has been credited for the purpose of making this proof of claim. 7 Documents Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. You may also attach a summary. Attach redacted copies of documents providing evidence of perfection of a security interest. You may also attach a summary. (See definition of "redacted" on reverse side.) DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING. If the documents are not available, please explain:		
Date 2/9/10	Signature: The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any.  James P. Botti, attorney for Creditor Key Equipment Finance Inc.	

Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

RECD
FEB 15 2010

Triad Resources Inc
33 00194 2

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN OF OHIO
EASTERN DIVISION

In re	§	Chapter 11
	§	
TRIAD RESOURCES, INC , <i>et al</i>	§	Case No 08-62733
	§	(Jointly Administered)
Debtors	§	
	§	

**ATTACHMENT TO KEY EQUIPMENT
FINANCE INC 'S AMENDED PROOF OF CLAIM**

Key Equipment Finance Inc ("**Key**") hereby amends its proof of claim (the "**Original Proof of Claim**"), filed May 19, 2009 in the above-captioned bankruptcy cases. In support of its this amended proof of claim (the "**Amended Proof of Claim**"), Key states as follows

In order to induce Key to make a loan to Kean Aviation, LLC ("**Kean**") to finance Kean's purchase of an aircraft and related equipment, which loan is evidenced by a Promissory Note ("**Note**"), a copy of which is attached hereto as **Exhibit A**, Debtor Triad Energy Corporation ("**Triad**") did on or about September 21, 2007 execute and deliver to Key its Corporate Guaranty ("**Guaranty**"), a copy of which is attached hereto as **Exhibit B** and incorporated herein by this reference

The Guaranty provides that Triad guarantees all obligations of Kean to Key, not to exceed an amount equal to \$4,000,000.00 of the Principal Obligations, plus the Other Obligations and the Adjustment Amount, plus any interest, fees and expenses (including reasonable attorneys' fees and expenses of Key in enforcing the obligations). Capitalized Terms not otherwise defined herein have the meanings ascribed thereto in the Guaranty. A copy of the Aircraft Security Agreement referenced in the Note and Guaranty is attached hereto as **Exhibit C**

On or about September 16, 2009, collateral owned by Kean and which acted as security for the Note was sold and the net proceeds applied to amounts owing under the Note. In accordance with the Note, the net collateral sales proceeds were applied in reduction to amounts owing under the Note as directed by Key.


Amounts currently owing under the Note and Guaranty are as follows:

		Application of Charter Income	Application of Net Collateral Sales Proceeds	Total Under Note	Total Under Guaranty
Principal Sum	\$10,967,327.14	\$63,852.12	\$6,550,610.61	\$4,352,864.41	\$4,000,000.00
Interest (accrued through 12/30/2008)	\$70,123.87			\$70,123.87	\$70,123.87
Breakage Fee	\$1,087,714.67			\$1,087,714.67	\$1,087,714.67
Prepayment premium	\$137,091.59			\$137,091.59	\$137,091.59
Pre-sale aircraft expenses	\$58,979.08		\$58,979.08	\$0.00	\$0.00
Total	\$12,321,236.35	\$63,852.12	\$6,609,589.69	\$5,647,794.54	\$5,294,930.13

Accordingly, Key hereby asserts a claim against Triad in the amount of \$5,294,930.13.

EXHIBIT A

C# 000524490
L# 000524297
PN# 8800549187

	Promissory Note Aircraft Loan
\$11 559 545 00	Funding Date <u>September 27</u> 2007

FOR VALUE RECEIVED Kean Aviation, LLC (Maker') promises to pay to the order of Key Equipment Finance Inc (Holder") the sum of \$11 559 545 00 in lawful money of the United States of America (the "Principal) with interest thereon as hereafter provided ("Interest") to be paid in the manner set forth herein This Note is executed pursuant to, and is secured by, the Collateral pledged under that certain aircraft security agreement (the Aircraft Security Agreement') dated as of September 27 2007 between Maker as grantor and Holder as secured party Capitalized terms used herein without definition shall have the meaning given them in the Aircraft Security Agreement

1 **Interest Rate, Closing Rate Adjustment, Place of Payment** Interest on the balance of the Principal outstanding on this Note shall accrue from the Funding Date of this Note and shall be due and payable at a rate of 6 77% per annum (the "Interest Rate") Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months Payment of the Principal and Interest hereunder shall be made to Holder at 66 South Pearl Street Post Office Box 1865 Albany, NY 12201-1865 or at such other place as Holder may designate from time to time in writing Holder reserves the right to require payment on this Note to be made by wired federal funds or other immediately available funds

2 **Repayment Terms** The Principal and Interest shall be due and payable in 60 consecutive monthly installments payable in arrears each in an amount equal to \$105 986 97 commencing and payable on the date which is one month after the Funding Date and on the same day of each month thereafter (each, a "Note Payment Date) plus on the 60th Note Payment Date a balloon payment (the "Balloon Payment) equal to \$8 657 880 00 In addition, Maker will pay a late payment charge of five percent of any payment due hereunder that is not paid on or before the date due hereunder

3 **Security** Payment of the Principal and Interest hereunder and the performance and observance by Maker of all agreements covenants and provisions contained herein is secured by a first priority security interest in the Collateral

4 **Prepayment** (a) Except as contemplated by Section 3 1 of Article 3 of the Aircraft Security Agreement Maker may prepay, on any Note Payment Date and in whole but not in part the Principal outstanding hereunder by paying to Holder such outstanding Principal together with all accrued and unpaid interest thereon as of the date of payment plus all fees or charges incurred by Holder in connection with such prepayment, plus a prepayment premium ('Prepayment Premium') equal to a percentage of the outstanding Principal calculated as follows

Months	Prepayment Premium
1-12	1 50%
13-24	1 25%
25-36	1 00%
37-48	0 75%
49-End of Term	None

(b) If Maker is required to prepay this Note or elects to prepay this Note, as set forth above, Maker shall pay to Holder the Principal outstanding hereunder as of the day of prepayment together with all then accrued and unpaid interest thereon plus the Breakage Charge plus the Prepayment Premium (if any) Maker shall pay such amounts to Holder (i) for voluntary prepayments on any Note Payment Date, and (ii) for required prepayments, on the Note Payment Date following the occurrence of the Event of Loss

(c) The term 'Breakage Charge' means the positive difference if any between (X) the present value of the Principal payments remaining unpaid as of the date of any prepayment hereunder discounted at the Base Index in effect on such date minus (Y) the present value of the Principal payments remaining unpaid as of the date of any prepayment hereunder discounted at the Base Index in effect on the date the Principal was advanced under this Note The term Base Index means the weekly average yield on United States Treasuries with a term equal to the original term of this Note as announced in the Treasury Bonds Notes & Bills section of The Wall Street Journal published on the day of determination or if The Wall Street Journal is not published on such day in the most recently published edition of The

Wall Street Journal provided that if no such securities have a maturity date (excluding securities with call options) that corresponds to the original term of this Note the rate will be based on the first succeeding month to have maturities

(d) Notwithstanding anything to the contrary contained herein or in the Aircraft Security Agreement, Holder will waive its right to require payment of the Prepayment Premium if (i) Maker wishes to prepay the outstanding principal hereunder in connection with Maker's acquisition of a new aircraft, and (ii) Maker wishes to finance the purchase of such new aircraft through Holder, and (iii) Holder in its sole discretion determines that it approves of the then credit-worthiness of Maker the new aircraft and all aspects of the financing of the new aircraft and (iv) Maker enters into a new promissory note and aircraft security agreement for the benefit of and on terms satisfactory to Holder to finance such new aircraft

5 Transfer or Assignment Holder may at any time assign or otherwise transfer or negotiate this Note in whole or in part without any notice to Maker. The rights and obligations of Maker may not be assigned or delegated

6 Application of Payments Prior to an Event of Default, each payment received on this Note shall be applied first to all costs of collection, then to unpaid late payment charges (if any) and Prepayment Premium (if any) hereunder then to Interest as of the payment due date and the balance if any to the outstanding Principal as of the date received. Upon the occurrence and during the continuance of an Event of Default, any payments in respect of the Obligations and any proceeds of the Collateral when received by Holder in cash or its equivalent will be applied first to costs of collection and thereafter, in reduction of the Obligations in such order and manner as Holder may direct in its sole discretion and Maker irrevocably waives the right to direct the application of such payments and proceeds and acknowledges and agrees that Holder shall have the continuing and exclusive right to apply any and all such payments and proceeds in the Holder's sole discretion notwithstanding any entry to the contrary upon any of its books and records

7 Events of Default (a) Maker shall be in default if any of the following happens (an "Event of Default") (1) Maker fails to make any installment of the Principal or Interest, or any other payment due and owing under this Note within ten (10) days after the same becomes due and payable or (2) Maker fails to perform any other obligation required to be performed by Maker under this Note, the Aircraft Security Agreement or any of the other Loan Documents for ten (10) days after written notice from Holder of such failure or (3) any representation warranty or other statement by or on behalf of Maker in connection with this Note is false or misleading in any material respect or (4) an Event of Default has occurred and is continuing under the Aircraft Security Agreement

(b) Notwithstanding anything to the contrary contained herein, upon the occurrence of an Event of Default, Holder may declare the entire outstanding balance of the Principal together with all accrued and unpaid Interest thereon immediately due and payable without notice or demand which amounts shall, together with all other sums due hereunder accrue interest from such acceleration until the date of actual payment at the Default Rate ('Default Rate' shall mean an annual interest rate equal to the lesser of 18% or the maximum interest rate permitted by Applicable Law). Should there occur an Event of Default, and if a voluntary or involuntary petition under the United States Bankruptcy Code is filed by or against Maker while such default remains uncured the entire outstanding balance of the Principal automatically shall be accelerated and due and payable with interest thereon at the Default Rate and Holder may exercise any and all of its remedies hereunder under the other Loan Documents and under Applicable Law ("Applicable Law" shall mean all applicable Federal state local and foreign laws, ordinances judgments, decrees, injunctions, writs, rules, regulations, orders, licenses and permits of any governmental agency). The remedies of Holder provided herein in the Aircraft Security Agreement and under Applicable Law shall be cumulative and concurrent and may be pursued singly, successively or concurrently at the sole discretion of Holder and may be exercised as often as occasion therefor shall occur. The failure to exercise or any delay in the exercise of any right or remedy shall in no event be construed as a waiver, release or exhaustion of any such remedies

8 Collection Costs In addition to the Principal Interest, Prepayment Premium (if any) and late payment charges (if any), Maker shall pay Holder on demand and Holder shall be entitled to collect all costs and expenses of collection, including without limitation reasonable attorneys' fees incurred in connection with enforcement of its rights and remedies hereunder and under the other Loan Documents, the protection or realization of the Collateral or in connection with Holder's collection efforts, or in connection with any bankruptcy or other judicial proceeding whether or not suit on this Note or any foreclosure proceeding is filed. All such costs and expenses shall be payable on demand and until paid shall be Obligations secured by the security interest granted under the Aircraft Security Agreement and all other collateral if any held by Holder as security for Maker's obligations under this Note

9 Governing Law, Binding Agreement The provisions of this Note shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. THIS NOTE, THE AIRCRAFT SECURITY AGREEMENT AND OTHER LOAN DOCUMENTS ARE BEING DELIVERED IN THE STATE OF NEW YORK AND SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW OR CONFLICT OF LAWS PROVISION OR RULE (WHETHER OF THE STATE OF NEW YORK OR ANY OTHER JURISDICTION) THAT WOULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF NEW YORK

10 **More than One Signer** If more than one person or entity signs this Note as a Maker the obligations contained herein shall be deemed joint and several and all references to 'Maker' shall apply both jointly and severally

11 **General** Maker represents and warrants that this Note evidences a loan for business or commercial purposes Prior to signing this Note Maker read and understood the provisions hereof and agrees to all terms and conditions contained herein

12 **Waiver** MAKER AND ALL ENDORSERS, SURETIES, AND GUARANTORS HEREOF HEREBY JOINTLY AND SEVERALLY WAIVE PRESENTMENT FOR PAYMENT, DEMAND, NOTICE OF NON-PAYMENT OR DISHONOR, NOTICE OF INTENTION TO ACCELERATE THE MATURITY, NOTICE OF PROTEST AND PROTEST OF THIS NOTE HOLDER AND MAKER HEREBY EACH WAIVE THEIR RESPECTIVE RIGHTS TO TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS NOTE, THE OTHER LOAN DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, IN ANY ACTION OR PROCEEDING TO WHICH HOLDER OR MAKER MAY BE PARTIES, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS, OR OTHERWISE, INCLUDING WITHOUT LIMITATION ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY, OF THIS NOTE OR THE OTHER LOAN DOCUMENTS OR ANY PROVISION HEREOF OR THEREOF THIS WAIVER IS MADE KNOWINGLY, WILLINGLY AND VOLUNTARILY BY HOLDER AND THE MAKER WHO EACH ACKNOWLEDGE THAT NO REPRESENTATIONS HAVE BEEN MADE BY ANY INDIVIDUAL TO INDUCE THIS WAIVER OF TRIAL BY JURY OR IN ANY WAY TO MODIFY OR NULLIFY ITS EFFECT THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS NOTE AND THE OTHER LOAN DOCUMENTS

13 **Usury, Partial Invalidity** (a) At no time shall the Interest Rate (or the Default Rate or other amounts paid or collected hereunder) exceed the highest rate allowed by applicable law for this type of loan Should Holder ever collect interest at a rate that exceeds such applicable legal limit such excess will be credited to the Principal

(b) Whenever possible each provision of this Note shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Note shall be prohibited by or invalid under the laws of any applicable jurisdiction such provision, as to such jurisdiction shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Note in any other jurisdiction

14 **Notices** All notices and other communications under this Note shall be in writing and shall be addressed (a) if to Maker PO Box 430 Reno OH 45773 and (b) if to Holder Key Equipment Finance Inc 7th Floor 66 South Pearl Street Albany NY 12207 Attention Customer Service or such other address as either party hereto shall communicate to the other party at its address specified above All such notices and other communications shall be deemed to have been duly given if delivered by hand, overnight courier or if sent by certified mail, return receipt requested, to the party to whom such notice is intended to be given and shall be effective upon receipt

15 **Funding Date** The Funding Date for this Note shall be the date on which Holder disburses funds hereunder TO THE EXTENT THE FUNDING DATE IS LEFT BLANK ABOVE, OR DOES NOT REFLECT THE ACTUAL DATE THAT HOLDER DISBURSES FUNDS HEREUNDER, MAKER HEREBY AUTHORIZES HOLDER TO WRITE IN THE CORRECT DATE AT THE TIME OF DISBURSEMENT

IN WITNESS WHEREOF Maker, intending to be legally bound has caused this Note to be duly executed on the day and year first above written

MAKER

Kean Aviation LLC
By KW Aviation Ltd Its Member

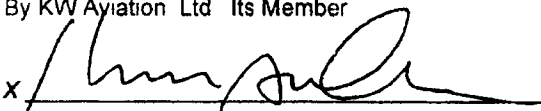
x 
Kean A Weaver Manager

EXHIBIT B

C# 000524490
L# 000524297
PN# 8800549187



**Corporate Guaranty
Aircraft Promissory Note**

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged and in order to induce KEY EQUIPMENT FINANCE INC , (Lender') to make loans and extend credit to Kean Aviation, LLC (Borrower') with its principal place of business at 27724 State Route 7 Marietta Ohio 45750 for the financing of certain aircraft and related equipment (the "Equipment") pursuant to a promissory note, aircraft security agreement and other Loan Documents the undersigned Tnad Energy Corporation ("Guarantor"), with its principal place of business at 27724 State Route 7 Marietta Ohio 45750 hereby absolutely unconditionally and irrevocably guarantees to Lender the full and prompt payment and performance by Borrower of all Obligations (as that term is defined below) on the terms and conditions set forth in this Guaranty Under this Guaranty the liability of Guarantor is unlimited and the obligations of Guarantor are continuing Notwithstanding the foregoing the liability of the Guarantor under this Guaranty shall not exceed an amount equal to Four Million Dollars (\$4 000 000 00) of the Principal Obligations plus (b) the Other Obligations and the Adjustment Amount plus (c) any interest fees expenses (including reasonable attorneys fees and expenses of Lender incurred in enforcing the Obligations whether such enforcement is against Borrower, Guarantor or any other Person

1 **Definitions** The following words shall have the following meanings in this Guaranty

Guaranty" means this Corporate Guaranty made by Guarantor for the benefit of Lender

Obligations' means the obligations of Borrower under all of the now existing and hereafter executed Loan Documents, including, without limitation all present and future promissory notes executed pursuant to and/or secured by the Collateral pledged under the Aircraft Security Agreement and/or any agreement document to other instrument evidencing indebtedness now or hereafter executed and delivered by Borrower to Lender or any assignee of Lender with respect to or in connection with the Loan Documents and all amendments restatements modifications supplements renewals and extensions of the foregoing and including without limitation the payment when due of all payments (including without limitation principal and interest due on all of the indebtedness) and all other sums currently or hereafter owing by Borrower (or any other obligor) to Lender thereunder, including costs expenses and attorneys fees incurred by Lender in connection therewith

Other Guarantor' means any other guarantor of the Obligations

Other Guarantees' means any guaranty by any Other Guarantor

Other Obligations" means that portion of all of the Obligations that does not constitute the Principal Obligations

Principal Obligations" means that portion of the Obligations that constitutes the principal balance of the Note outstanding as of the date of the Event of Default, and any and all interest accrued or accruing on the principal balance until payment in full collectively, under all of the now existing and hereafter executed promissory notes executed pursuant to and/or secured by the Collateral pledged under the Aircraft Security Agreement

Capitalized terms not otherwise defined herein have the meaning given in the Aircraft Security Agreement between Lender as Secured Party and Borrower as Grantor dated as of September 27 2007

2 **Nature of Guaranty** Guarantor's liability under this Guaranty shall be absolute primary and direct Guarantor intends to guarantee at all times the performance and prompt payment when due whether at maturity or earlier by reason of acceleration or otherwise of all Obligations Lender shall not be required to pursue any right or remedy it may have against Borrower under the Loan Documents or otherwise (and shall not be required first to commence any action or obtain any judgment against Borrower) before enforcing this Guaranty against Guarantor This Guaranty shall remain in full force and effect and shall not be terminable except (a) with the proper written consent of Lender so long as any agreement or arrangement between Borrower and Lender or any renewals continuations modifications, supplement and amendments thereof shall remain in force and effect or (b) until terminated by the actual receipt by Lender by registered or certified mail of notice of termination from Guarantor provided however, that such termination shall be applicable only to transactions having their inception thereafter and rights and obligations arising out of transactions having their inception prior to such termination shall not be affected Any such notice to Lender shall be delivered to Key Equipment Finance Inc 1000 S McCasin Blvd Superior Colorado 80027 Attention Team Leader Business Aircraft Finance or such other address as Lender shall communicate to Guarantor

3 **Guarantor's Representations and Warranties** Guarantor warrants and represents to Lender that (a) the execution, delivery and performance of this Guaranty will not result in a breach of, or constitute a default under, or result in the creation of any security interest, lien, charge or encumbrance upon any property or assets of Guarantor pursuant to any loan agreement, indenture or contract to which Guarantor is a party or by or under which it is bound; (b) this Guaranty is executed at Borrower's request and not at the request of Lender; (c) the proceeds of the loans to be made by Lender to Borrower will result in a direct or indirect material economic benefit to Guarantor; (d) Lender has made no representation to Guarantor as to the creditworthiness of Borrower; (e) Guarantor has means to and shall keep adequately informed regarding Borrower's financial condition and Lender shall have no obligation to disclose to Guarantor any information regarding Borrower.

4 **Guarantor Waivers** (a) Guarantor expressly waives and agrees not to assert or claim at any time any deductions to the amount guaranteed under this Guaranty for any claim of setoff, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by the Borrower, the Guarantor or both, in any action or proceeding in any court arising on or out of, under, by virtue of or in any way relating to the Loan Documents, this Guaranty or the transactions contemplated thereby or hereby. Guarantor agrees that this Guaranty shall be valid, enforceable and unconditionally binding upon Guarantor regardless of (i) the reorganization, merger or consolidation of Borrower into or with another entity, corporate or otherwise, or the sale or other disposition of all or substantially all of the capital stock, business or assets of Borrower to any other person or party; (ii) the death or dissolution of Borrower, Guarantor or any Other Guarantor; (iii) the voluntary or involuntary bankruptcy (including a reorganization in bankruptcy) of Borrower, Guarantor or any Other Guarantor; (iv) the granting by Lender of any indulgences or extensions to Borrower, Guarantor or any Other Guarantor; (v) the assertion by Lender against Borrower, Guarantor or any Other Guarantor of any of Lender's rights and remedies provided for under the Loan Documents or existing in its favor in law, equity or bankruptcy; (vi) the release of Borrower, Guarantor or any Other Guarantor from any Obligations under the Loan Documents; this Guaranty or any Other Guarantees by Lender or by operation of law or otherwise; (vii) any invalidity, irregularity, defect or unenforceability of any provision of the Loan Documents; this Guaranty or any Other Guarantees; (viii) any defenses given to guarantors at law or in equity other than actual payment and performance of the Obligations; or (ix) the destruction, sale, modification or alteration of any item of the Equipment.

(b) Guarantor hereby waives notice of and consents to (i) the financing by Borrower of the Equipment, and to any subleasing or other use of the Equipment permitted by Lender (regardless of who any such sublessee or user may be); (ii) all of the provisions of the Loan Documents and any amendments, qualifications and extensions thereof and any actions taken thereunder; and (iii) the execution by Borrower of the foregoing documents and of any other agreements, documents and instruments executed by Borrower in connection therewith. Guarantor further waives notice of Lender's acceptance of this Guaranty of any default and non-payment and/or non-performance by Borrower under the Loan Documents of presentment, protest and demand and of all other matters to which Guarantor might otherwise be entitled. Guarantor further agrees that this Guaranty shall remain and continue in full force and effect notwithstanding any renewal, modification or extension of the term of the Loan Documents or of the terms and conditions of the Loan Documents. Guarantor hereby expressly waives all notice of and consents to any such renewal, modification or extension and to the execution by Borrower of any documents pertaining to any such renewal, modification or extension. **GUARANTOR CONFIRMS THAT THE FOREGOING WAIVER IS INFORMED AND VOLUNTARY.**

5 **Lender Waiver** Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. Guarantor hereby agrees that the failure of Lender to insist in any one or more instances upon a strict performance or observance of any of the terms, provisions or covenants of this Guaranty or the Loan Documents, or to exercise any of its rights thereunder or hereunder, shall not be construed or deemed to be a waiver or relinquishment for the future of any such terms, provisions, covenants or rights, but such terms, provisions, covenants and rights shall continue and remain in full force and effect and shall be enforceable under this Guaranty. No delay or failure by Lender to exercise any right or remedy against Borrower or any Other Guarantor will be construed as a waiver of that right or remedy or as a waiver of any right or remedy against Guarantor. All remedies of Lender against the Borrower, Guarantor and the Other Guarantors are cumulative. Receipt by Lender of any payments or other sums payable under the Loan Documents with knowledge that Borrower has breached any of the terms, provisions or covenants of the Loan Documents shall not be deemed to be a waiver by Lender of such breach or a release or relinquishment of any claim for future performance under the Loan Documents or this Guaranty.

6 **Subordination/Subrogation** (a) Guarantor specifically waives any and all rights of subrogation, reimbursement, indemnity, exoneration, contribution or any other claim which the Guarantor may now or hereafter have against the Borrower or any other person or entity directly or contingently liable for the Obligations guaranteed hereunder, or against or with respect to the Borrower's property (including, without limitation, property collateralizing the Loan Documents) arising from the existence or performance of this Guaranty.

(b) The liability of Guarantor under this Guaranty and of any Other Guarantors, if any, under Other Guarantees given in favor of Lender in connection with the Loan Documents, shall be joint and several and shall be irrevocable, unconditional and absolute, continuing in full force and effect according to its terms, until all of the Obligations hereby guaranteed have been fully satisfied. Guarantor covenants and agrees that any indebtedness of Borrower to Guarantor is hereby subordinated to the

obligations of Borrower to Lender and that after any default under the Loan Documents or any of the other documents evidencing the transactions contemplated hereby Guarantor shall hold any funds received from Borrower in trust for Lender to satisfy the obligations of Borrower to Lender and shall forthwith deliver such funds to Lender in the form received. This subordination of the indebtedness and other obligations shall continue until all of the Obligations have been paid performed and satisfied in full.

7 **Assignment** This Guaranty is assignable by Lender without notice to Guarantor and Guarantor consents thereto. Guarantor's obligations under this Guaranty may not be delegated to any other person or entity without the prior written consent of Lender. Any assignee of Lender shall have all of the rights of Lender hereunder and may enforce this Guaranty against Guarantor with the same force and effect as if this Guaranty were given to such assignee in the first instance. This Guaranty shall inure to the benefit of Lender and its successors and assigns and shall be binding upon Guarantor and its heirs administrators successors and assigns.

8 **Severability/Governing Law** If any provision of this Guaranty is found by a court of competent jurisdiction to be prohibited or unenforceable it shall be ineffective only to the extent of such prohibition or unenforceability and such prohibition or unenforceability shall not invalidate the balance of such provision to the extent that it is not prohibited or unenforceable nor invalidate the other provisions hereof all of which shall be construed liberally in favor of Lender in order to effect the provisions hereof. This Guaranty shall be governed by and construed in accordance with the laws of the state of New York without regard to any conflicts of laws principles of such state. Guarantor agrees to pay upon demand all of Lender's costs and expenses including reasonable attorneys' fees and court costs in enforcing payment under this Guaranty, or in the prosecution or defense of any action or proceeding by or against Lender or the Guarantor concerning any matter arising out of or connected herewith, including without limitation any of the foregoing arising in arising under or related to a case under the United States Bankruptcy Code.

9 **Jury Trial Waiver** GUARANTOR HEREBY WAIVES ITS RIGHT TO TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS GUARANTY, THE LOAN DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED THEREBY, IN ANY ACTION OR PROCEEDING TO WHICH GUARANTOR MAY BE A PARTY, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS, OR OTHERWISE, INCLUDING WITHOUT LIMITATION ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY, OF THE LOAN DOCUMENTS OR ANY PROVISION HEREOF OR THEREOF. THIS WAIVER IS MADE KNOWINGLY, WILLINGLY AND VOLUNTARILY BY GUARANTOR WHO ACKNOWLEDGES THAT NO REPRESENTATIONS HAVE BEEN MADE BY ANY INDIVIDUAL TO INDUCE THIS WAIVER OF TRIAL BY JURY OR IN ANY WAY TO MODIFY OR NULLIFY ITS EFFECT. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS GUARANTY OR THE LOAN DOCUMENTS.

10 **Release of Progress Payment Corporate Guaranty** Upon the consummation of the Loan under the Loan Documents including without limitation, the delivery and acceptance of the Aircraft, the execution and delivery of the Note the execution and filing of the Security Agreement at the FAA and the International Registry and the execution and delivery by Guarantor to Lender of this Guaranty, the Progress Payment Corporate Guaranty dated as of June 29, 2007 executed and delivered by Guarantor for the benefit of Lender in connection with Borrower's obligations to Lender under the Progress Payment Security Agreement and Progress Payment Note each dated June 29, 2007 shall be released and cancelled in all respects and Lender will not look to Guarantor to satisfy or perform any obligation of Guarantor under the Progress Payment Corporate Guaranty which arises or accrues on or after the date hereof. Lender shall hereafter look only to Guarantor to satisfy and perform its obligations under this Guaranty.

IN WITNESS WHEREOF Guarantor has executed this Guaranty as of the 21st day of September 2007.

TRIAD ENERGY CORPORATION

x

Name Kean A. Weaver
Title President

Guarantor Federal ID# 34-1549844

Aircraft Security Agreement

between

Kean Aviation, LLC

as the Grantor

and

KEY EQUIPMENT FINANCE INC ,

as the Secured Party

Dated as of September 27, 2007

N777LX

FAA Authorization Code _____

International Registration File Number(s) _____

Airframe _____

Engine #1 _____

Engine #2 _____

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C# 000524490
L# 000524297
PN# 8800549187



Aircraft Security Agreement

THIS AIRCRAFT SECURITY AGREEMENT ("Agreement") is made and entered into as of September 27 2007 by and between KEY EQUIPMENT FINANCE INC a Michigan corporation having an office at 1000 South McCaslin Boulevard, Superior CO 80027 (Secured Party) and Kean Aviation LLC a limited liability company organized and existing under the laws of the State of Delaware and having its chief executive offices located 27724 State Route 7 Marietta Ohio 45750 ("Grantor") Capitalized terms not otherwise defined herein have the meanings given in Article 9 hereof

RECITALS

A Pursuant to a Note by the Grantor in favor of Secured Party the Secured Party has agreed to make a term loan to the Grantor (the Loan)

B As a condition precedent to the making of the Loan under the Note the Grantor is required to execute and deliver this Agreement

C Grantor is duly authorized to execute deliver and perform this Agreement

NOW, THEREFORE for good and valuable consideration the receipt and sufficiency of which are hereby acknowledged and in order to induce the Secured Party to make the Loan pursuant to the Note the Grantor agrees for the benefit of the Secured Party as follows

ARTICLE 1 -- GRANT OF SECURITY INTEREST

Section 1.1 Grant of Security Interest The Grantor in consideration of the premises and other good and valuable consideration receipt whereof is hereby acknowledged and in order to secure the payment of the principal of and interest on the Loan according to its tenor and effect, and to secure the payment of all other indebtedness under the Loan Documents and the performance and observance of all covenants agreements and conditions contained in the Loan Documents (collectively referred to as the Obligations') does hereby convey, warrant mortgage assign pledge and grant a security interest to the Secured Party its successors and assigns, in all and singular of the Grantor's right title and interest in and to the properties rights, interests and privileges described below and all proceeds thereof (all of which properties rights interests and privileges hereby mortgaged assigned pledged and granted or intended so to be together with all proceeds thereof are hereinafter collectively referred to as the "Collateral") and agrees that the foregoing grant creates in favor of the Secured Party an International Interest in the Aircraft (including the Airframe and each Engine)

a) all of the Grantor's rights title and interests in the Equipment (including the Airframe any Propeller the Engines and the Parts) and substitutions and replacements of any of the foregoing

b) any and all service and warranty rights related to the Equipment, including the Engines and claims under any thereof

c) all proceeds of any or all of the foregoing whenever acquired including the proceeds of any insurance maintained with respect to any of the foregoing and all proceeds payable or received with respect to any condemnation expropriation requisition or other Event of Loss or the proceeds of any warranty,

d) the Purchase Agreement if any, and any bill of sale pursuant to which Grantor received title to the Aircraft together with all rights powers privileges options and other benefits of the Grantor under the Purchase Agreement and such bill of sale and

e) any and all present and future leases subleases, management agreements interchange agreements charter agreements purchase agreements and any other present and future agreements of any kind whatsoever relating to the Equipment or any part thereof, including any International Interest (and associated rights) therein or related thereto in favor of Grantor (but not any obligations liabilities and/or duties of any kind whatsoever of Grantor or any other party person or entity of any kind whatsoever in connection therewith or related thereto) provided however that the foregoing assignment and grant of a security interest and lien in this subclause (e) shall not be deemed in any way whatsoever as an agreement by the Secured Party to permit or allow the Grantor (or any party person or entity of any kind whatsoever) to enter into any such leases subleases management agreements interchange agreements charter agreements purchase agreements and any other present and future agreements of any kind whatsoever and the Grantor (or any party person or entity

of any kind whatsoever) shall only be allowed to enter into any of the foregoing in accordance with the terms of this Agreement. Grantor consents to the registration of the foregoing assignment of any International Interest (and associated rights) with the International Registry.

f) any and all present and future records, logs and other materials required by the FAA (and any other governmental authority having jurisdiction) to be maintained in respect of each item of Equipment including without limitation, the tapes, disks, diskettes and other data and software storage media and devices, file cabinets or containers in or on which the foregoing are stored, including any rights of Grantor with respect to the foregoing maintained with or by any other person.

Section 1.2 Grant Effective. The conveyance, warranty, mortgage, assignment, pledge and security interest created hereunder in all of the foregoing Collateral and International Interest created hereunder in and relating to the Airframe and each Engine are effective and operative immediately, and will continue in full force and effect until the Grantor has made such payments and has duly, fully and finally performed and observed all of its agreements and covenants and provisions then required hereunder and under the other Loan Documents.

Section 1.3 Filing of Financing Statements and Continuation Statements, Consent to Registration. Grantor hereby authorizes Secured Party to file UCC financing statements and amendments thereto, listing Grantor as debtor, and Secured Party and/or its assigns as secured party and describing the Collateral, and assignments thereof and amendments thereto. The Grantor, at the request of the Secured Party, will execute and deliver to the Secured Party for filing, if not already filed, such financing statements or other documents and such continuation statements with respect to financing statements previously filed relating to the conveyance, warranty, mortgage, assignment, pledge and security interest created under this Agreement in the Collateral and execute, deliver, consent to register or file any other documents that may be required in order to comply with the Act, the Cape Town Treaty or other applicable law or as may be specified from time to time by the Secured Party. The Grantor hereby consents to the registration by the Secured Party of each International Interest in or relating to the Aircraft (including the Airframe and each Engine) assigned or created pursuant to this Agreement (including any Prospective International Interest with respect thereto) with the International Registry and covenants to effect the registration of such consent with the International Registry on the date of such assignment or creation.

Section 1.4 Delivery and Acceptance. SECURED PARTY WILL HAVE NO OBLIGATION TO ADVANCE ANY FUNDS TO GRANTOR UNLESS AND UNTIL SECURED PARTY HAS RECEIVED A GRANTOR'S ACKNOWLEDGMENT (Certificate of Acceptance) RELATING TO THE EQUIPMENT EXECUTED BY GRANTOR. Such Grantor's Acknowledgment will constitute Grantor's acknowledgment that such Equipment (a) was received by Grantor, (b) is satisfactory to Grantor in all respects, (c) is suitable for Grantor's purposes, (d) is in good order, repair and condition, (e) operates properly, and (f) is subject to all of the terms and conditions of the Loan Documents. Grantor's execution and delivery of a Grantor's Acknowledgment will be conclusive evidence as between Secured Party and Grantor that the Equipment described herein is in all of the foregoing respects satisfactory to Grantor, and Grantor will not assert any claim of any nature whatsoever against Secured Party based on any of the foregoing matters, provided, however, that nothing contained herein will in any way bar, reduce or defeat any claim that Grantor may have against the seller or supplier of the Aircraft or any other person (other than Secured Party).

Section 1.5 Additional Documents, Information. Grantor will deliver to Secured Party (a) such organizational documents for Grantor as requested by Secured Party, (b) a certificate or certificates executed by an authorized representative of Grantor certifying that the execution, delivery and performance of this Agreement and the transactions contemplated hereby have been authorized by all necessary action on the part of the Grantor, (c) an incumbency certificate of the Grantor containing the name(s), title(s) and specimen signatures of the person(s) authorized to execute and deliver such documents on behalf of Grantor, (d) if required by Secured Party, a certificate of good standing for Grantor from the state of its organization, and (e) if required by Secured Party, an opinion of counsel for Grantor in form and substance satisfactory to Secured Party and its counsel.

ARTICLE 2 - COVENANTS

Section 2.1 Registration and Operation. (a) Grantor, at its own cost and expense, will cause the Aircraft to be duly registered in the name of Grantor as owner and subject only to Secured Party's first priority security interest and International Interest, and at all times thereafter to remain duly registered, in the name of the Grantor as owner with the FAA pursuant to the Act.

b) Grantor will not use the Aircraft in violation of any law or any rule, regulation or order (including those concerning alcoholic beverages or prohibited substances) of any governmental authority having jurisdiction (domestic or foreign) or in violation of any airworthiness certificate, license or registration relating to any item of Equipment issued by any such authority, except to the extent such violation is not material or the validity or application of any such law, rule, regulation or order is being contested in good faith and by appropriate proceedings (but only so long as such proceedings do not, in the Secured Party's opinion, involve any material

danger of the sale forfeiture or loss of such item of Equipment or any interest including the Secured Party's security interest or International Interest therein or related thereto)

Grantor will operate the Aircraft primarily in the conduct of its business and/or for commercial purposes (and not primarily for consumer home or family purposes) and in such configuration as authorized by the FAA. Grantor will not operate the Aircraft or permit the Aircraft to be operated (i) at any time or in any geographic area when or where insurance required by this Agreement is not in effect, (ii) in a manner or for any time period such that a Person other than Grantor will be deemed to have operational control of the Aircraft except with the prior written consent of Secured Party, (iii) for the carriage of persons or property for hire except with the prior written consent of Secured Party or (iv) for the transport of mail or contraband. Possession, use and maintenance of the Aircraft will be at the sole risk and expense of Grantor and the Aircraft will be based at the Primary Hangar Location. Grantor will deliver to Secured Party a written waiver of any Lien or claim of Lien against the Aircraft that is or could be held by any landlord (other than a governmental entity) or mortgagee of any hangar or storage facility where the Aircraft is or will be located. Grantor will not permit the Aircraft to be based away from its designated Primary Hangar Location for a period in excess of thirty (30) days without Secured Party's prior written consent. Grantor will cause the Aircraft to be operated at all times by duly qualified pilots who (x) are supplied by Grantor, (y) hold at least a valid commercial airman certificate and instrument rating and any other certificate, rating, type rating or endorsement appropriate to the Aircraft, purpose of flight, condition of flight or as otherwise required by the Federal Aviation Regulations or other applicable law or regulation, and (z) meet the requirements established and specified by the insurance policies required hereunder and by the FAA. GRANTOR WILL NOT OPERATE, USE OR LOCATE THE AIRCRAFT, OR PERMIT OR ALLOW THE AIRCRAFT TO BE OPERATED, USED OR LOCATED OUTSIDE THE CONTINENTAL UNITED STATES, ALASKA OR CANADA WITHOUT THE PRIOR WRITTEN CONSENT OF SECURED PARTY EXCEPT AS EXPRESSLY PROVIDED BELOW.

c) NOTWITHSTANDING THE FOREGOING, THE AIRCRAFT MAY BE FLOWN TEMPORARILY TO BERMUDA, THE CARIBBEAN ISLANDS OR MEXICO IN CONNECTION WITH THE CONDUCT OF GRANTOR'S BUSINESS, PROVIDED, HOWEVER, THAT PREDOMINANT USE OF THE AIRCRAFT SHALL BE IN THE UNITED STATES, AND PROVIDED, FURTHER, THAT IN NO EVENT MAY THE AIRCRAFT FLY, BE OPERATED, USED OR LOCATED IN, TO OR OVER ANY COUNTRY OR GEOGRAPHIC REGION (A) IN WHICH SUCH AIRCRAFT IS NOT SPECIFICALLY AND FULLY COVERED BY THE INSURANCE POLICY IN EFFECT WITH RESPECT TO SUCH AIRCRAFT IN ACCORDANCE WITH THE TERMS OF SECTION 4 HEREOF, OR (B) IN CONNECTION WITH WHICH THE FAA OR THE UNITED STATES DEPARTMENT OF STATE HAS ISSUED THEN CURRENT TRAVEL RESTRICTIONS OR WARNINGS ON THEIR RESPECTIVE WEBSITES, OR (C) WITH WHICH THE UNITED STATES OF AMERICA DOES NOT MAINTAIN DIPLOMATIC RELATIONS, OR (D) WHICH IS ON THE EMBARGOED COUNTRY LIST PUBLISHED FROM TIME TO TIME BY THE OFFICE OF FOREIGN ASSETS CONTROL (OFAC), OR (E) IN WHICH TRAVEL TO SUCH LOCATION WOULD OTHERWISE VIOLATE U.S. LAW.

d) Grantor will execute and deliver and file with the FAA on or prior to the date hereof an Irrevocable De-Registration and Export Request Authorization with respect to the Aircraft in the form attached hereto as Exhibit B.

Section 2.2 Records and Reports. The Grantor will cause all records, logs, manuals, certificates, data and inspection, modification, maintenance, engineering, technical and overhaul records (including computerized data, records and other materials) including those required by the FAA and any other governmental authority having jurisdiction to be maintained in the English language, in respect of each item of Equipment. Grantor will promptly furnish or cause to be furnished to the Secured Party such information as may be required to enable the Secured Party to file any reports required to be filed by the Secured Party with any governmental authority because of the Secured Party's interests in any item of Equipment.

Section 2.3 Maintenance. Grantor, at its own cost and expense, will fly, maintain, inspect, service, repair, overhaul and test the Aircraft (including each Engine of same) or will cause the Aircraft to be flown, maintained, inspected, configured, serviced, repaired, overhauled and tested in passenger configuration pursuant to an approved FAA maintenance program and in accordance with (a) all maintenance manuals initially furnished with the Aircraft, including any subsequent amendments or supplements to such manuals issued by the manufacturer from time to time, (b) all mandatory Service Bulletins issued, supplied or available by or through the manufacturer and/or the manufacturer of any Engine or part with respect to the Aircraft having a compliance date during the term of the Note and up to twelve (12) months thereafter, and (c) applicable law, including, all airworthiness directives issued by the FAA or similar regulatory agency having jurisdictional authority, and causing compliance with such directives or circulars to be completed through corrective modification or operating manual restrictions, having a compliance date during the term of the Note and twelve (12) months thereafter. Grantor will maintain the Aircraft in good and safe working order and in substantially the same condition as when originally delivered to Grantor, ordinary wear and tear excepted. Grantor will cause the Aircraft to be subject to an FAA Airworthiness Certificate at all times other than when the Aircraft as a whole is the subject of an Event

of Loss Grantor will maintain or will cause to be maintained in the English language, all records logs and other materials required by the manufacturer thereof for enforcement of any warranties or by the FAA. All maintenance procedures required hereby will be undertaken and completed in accordance with the manufacturer's recommended procedures and by properly trained licensed and certified maintenance sources and maintenance personnel, so as to keep the Aircraft and each Engine in as good operating condition as when originally delivered to Grantor, ordinary wear and tear excepted, and so as to keep the Aircraft in such operating condition as may be necessary to enable the airworthiness certification of such Aircraft to be maintained in good standing at all times under the Act. Grantor shall enter into a service and maintenance contract in form and substance satisfactory to Secured Party with an FAA approved maintenance provider acceptable to Secured Party to provide for the maintenance repair and overhaul of the Aircraft.

Section 2.4 Replacement of Parts The Grantor, at its own cost and expense will promptly cause the replacement of all Parts which may from time to time become worn out lost stolen destroyed, seized, confiscated, damaged beyond repair or permanently rendered unfit for use for any reason whatsoever. In addition the Grantor, at its own cost and expense may permit the removal in the ordinary course of maintenance service repair overhaul or testing of any Parts whether or not worn out, lost stolen, destroyed, seized, confiscated, damaged beyond repair or permanently rendered unfit for use provided however that the Grantor, at its own cost and expense, will cause such Parts to be replaced as promptly as possible. All replacement Parts must be free and clear of all Liens (except for Permitted Liens) will be in as good operating condition as, and will have a value and utility at least substantially equal to the Parts replaced assuming such replaced Parts were in the condition and repair required to be maintained by the terms hereof. The Grantor's rights title and interests in all Parts at any time removed from any item of Equipment will remain subject to the Lien of this Agreement no matter where located until such time as such Parts will be replaced by Parts which have been incorporated in such item of Equipment and which meet the requirements for replacement Parts specified above. Immediately upon any replacement Part becoming incorporated or installed in or attached to any item of Equipment as above provided without further act (a) the Grantor's rights title and interests in such replacement Part will become subject to the Lien of this Agreement and such replacement Part will be deemed part of such item of Equipment for all purposes hereof to the same extent as the Parts originally incorporated in such item of Equipment, and (b) the Grantor's rights title and interests in the replaced Part will be released from the Lien of this Agreement and the replaced Part will no longer be deemed a Part hereunder. The Grantor will not less often than once during each calendar year provide to the Secured Party written confirmation in form and content acceptable to the Secured Party that the Grantor has complied with the provisions of this Section 2.4.

Section 2.5 Alterations, Modifications and Additions The Grantor, at its own cost and expense, will cause such alterations and modifications in and additions to the Equipment to be made as may be required from time to time to meet the standards of the FAA and of any other governmental authority having jurisdiction and to maintain the certificate of airworthiness for the Aircraft provided, however, that the validity or application of any such law rule regulation or order may be contested in good faith by appropriate proceedings (but only so long as such proceedings do not in the Secured Party's opinion involve any material danger of sale, forfeiture or loss of any item of Equipment or any interest including the Secured Party's security interest or International Interest therein or related thereto). In addition the Grantor at no cost or expense to the Secured Party may, from time to time cause such alterations and modifications in and additions to any item of Equipment to be made as the Grantor may deem desirable, provided that no such alteration modification and addition will (a) materially diminish the value utility or condition of such item of Equipment below the value utility or condition thereof immediately prior to such alteration modification or addition, assuming the item of Equipment was then of the value and utility and in the condition required to be maintained by the terms of this Agreement, or (b) cause the airworthiness certification of the Aircraft to cease to be in good standing under the Act. The Grantor's rights title and interests in all Parts added to the Aircraft Airframe any Propeller or an Engine as the result of such alteration modification or addition will without further act be subject to the Lien of this Agreement. Notwithstanding the foregoing sentence of this Section 2.5 so long as no Event of Default has occurred and is continuing, the Grantor may remove any Part added to the Aircraft Airframe any Propeller or an Engine as contemplated in this Section 2.5 if (x) such Part is in addition to and not in replacement of or substitution for, any Part originally incorporated in such item of Equipment at the time of delivery thereof or any Part in replacement of or substitution for any such Part (y) such Part is not required to be incorporated or installed in or attached or added to such item of Equipment pursuant to the terms of this Article 2 and (z) such Part can be removed from such item of Equipment without causing any material damage thereto. Upon the removal of any Part as above provided such Part will be released from the Lien of this Agreement.

Section 2.6 Maintenance of Other Engines Each engine which does not constitute an Engine but which is installed on the Airframe from time to time will be maintained operated serviced, repaired overhauled altered modified and tested in accordance with Section 2.3 to the same extent as if it were an Engine.

Section 2.7 Payment of Obligations The Grantor hereby agrees that it will promptly pay or cause to be paid when due all taxes assessments and other governmental charges imposed with respect to the Collateral (except to the extent being contested in good faith and by appropriate proceedings which do not involve any material risk of loss or forfeiture).

Section 2.8 Change of Name or Location Grantor will give Secured Party thirty (30) days prior written notice of any relocation of its chief executive office and of any change in its name, identity or state of organization. At least 10 Business Days prior to the occurrence of any such change or relocation, Grantor will (a) duly file appropriate financing statements in all applicable filing offices, and (b) deliver to Secured Party copies of the form of such financing statements. Grantor will hangar the Aircraft at Pittsburgh Jet Center, 1859 Route 588, Zelienople, PA 16063 ("Primary Hangar Location"). Grantor will supply Secured Party with a waiver of any Lien or claim of Lien against the Aircraft which could be held by any landlord or mortgagee of the hangar or future aircraft storage facility. Grantor will not remove the Aircraft or permit the Aircraft to be removed from its designated home airport for a period in excess of thirty (30) days without the prior written consent of Secured Party.

Section 2.9 Inspection Secured Party will have the right, but not the duty, to inspect the Aircraft, any component thereof, and the Records at any reasonable time and from time to time, wherever the same may be located, upon reasonable prior written notice to Grantor, unless a Default or Event of Default has occurred and is continuing, in which case no prior notice will be required. At Secured Party's request, Grantor will confirm to Secured Party the location of the Aircraft and will, at any reasonable time and from time to time, make the Aircraft and/or the Records available to Secured Party for inspection.

Section 2.10 Aircraft Registration, International Registry Grantor will not change the United States Registration Number of the Aircraft without Secured Party's prior written consent. Grantor will cause to be filed with the FAA an FAA Bill of Sale, the Agreement, an FAA application for aircraft registration and such other documents as may be required under the Act or as otherwise necessary or prudent to cause the Aircraft to be and remain duly registered at all times with the FAA in the name of Grantor as owner and subject only to Secured Party's first priority perfected security interest. Grantor will, at all times, keep on board the Aircraft a current and valid Registration Application or Certificate of Aircraft Registration. Grantor will cause each International Interest in favor of the Secured Party in or relating to the Aircraft (including in the Airframe and each Engine) created by this Agreement and, if the Aircraft is acquired by Grantor on or after March 1, 2006, the contract of sale (i.e., the bill of sale) transferring title in the Aircraft to Grantor, in each case, to be validly registered with the International Registry with such International Interests having priority over all other registered or un-registered International Interests in the Airframe and Engines. Grantor will discharge or cause to be discharged any International Interest or Prospective International Interest in or relating to the Aircraft (including the Airframe and the Engine) not consented to in writing by Secured Party. Further, Grantor will not consent to any International Interest or Prospective International Interest in or relating to the Aircraft unless prior approval is obtained from the Secured Party in writing.

Section 2.11 Financial and Other Data During the term of the Note and so long as any amounts are outstanding thereunder, Grantor agrees to furnish Secured Party

a) as soon as available, and in any event within one hundred and twenty (120) days after the last day of each fiscal year of Grantor, a copy of the balance sheet of Grantor as of the end of such fiscal year, and related statements of income and retained earnings of Grantor 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 Secured Party, each on a comparative basis with corresponding statements for the prior fiscal year, together with a copy of the federal tax return for Grantor for such fiscal year;

b) as soon as available, and in any event within one hundred and twenty (120) days after the last day of each fiscal year of each Guarantor which is not an individual (each a Company Guarantor), a copy of the balance sheet of the Company Guarantor as of the end of such fiscal year, and related statements of income and retained earnings of the Company Guarantor for such fiscal year, all in reasonable detail and certified by the chief financial officer of the Company Guarantor, together with a copy of the federal tax return for such Company Guarantor for such fiscal year;

c) within sixty (60) days after the last day of each fiscal quarter of Grantor and each Company Guarantor (except the last fiscal quarter for any fiscal year), a copy of the balance sheet of Grantor and each Company Guarantor as of the end of each such quarter, and statement of income and retained earnings covering the fiscal year to date of such party, 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 Grantor or the Company Guarantor, as the case may be;

d) as soon as available, and in any event within ninety (90) days after the last day of each fiscal year, a copy of the personal financial statement for each Guarantor who is an individual (each a Personal Guarantor) for the prior fiscal year, with notes (if any) certified by such Personal Guarantor as being a true and accurate statement of the financial condition of the Personal Guarantor during such time period;

e) as soon as available, and in any event by October 15th of each year, a copy of the personal tax return for each Personal Guarantor for the prior fiscal year, and

f) promptly such additional financial and other information as Secured Party may from time to time reasonably request

Section 2.12 Late Payments All amounts payable to Secured Party hereunder that are not paid when due will accrue interest at the Default Rate for the number of days actually elapsed from the due date until paid in full. In addition, if Grantor fails to perform any of its obligations contained herein, Secured Party may (but will not be obligated to) itself perform such obligations, and the amount of the reasonable costs and expenses of Secured Party incurred in connection with such performance, together with interest on such amount from the date said amounts are expended at the Default Rate, will be payable by Grantor to Secured Party upon demand. No such performance by Secured Party will be deemed a waiver of any rights or remedies of Secured Party or be deemed to cure any Default of Grantor hereunder.

Section 2.13 Transaction Expenses Grantor will pay all actual and reasonable fees, costs and expenses incurred by Secured Party in connection with this Agreement and the other Loan Documents, whether or not the transactions contemplated hereby are consummated, including appraisal fees, Secured Party's counsel fees and expenses, FAA counsel fees and expenses, FAA International Registry and UCC title and lien searches, reports, filing, registration and recording fees, charges and taxes. Grantor also agrees to pay all fees and expenses of Secured Party's counsel, FAA counsel and all other third parties who are engaged by Secured Party to update any FAA, International Registry or UCC title and/or lien reports and/or to review, file, register and record any and all documents and instruments as required by Secured Party, the International Registry or the FAA at any time during which any of the Obligations remain outstanding.

Section 2.14 Financial Covenants

a) Grantor will comply with the financial covenants, if any, set forth in Exhibit A attached hereto and by this reference incorporated herein. Grantor will, within thirty (30) days after the end of each fiscal year end of Grantor, provide Secured Party with a certificate (a "Compliance Certificate") in which Grantor certifies that it is in full compliance with such covenants and setting forth the calculations used by Grantor to reach its conclusion. The Compliance Certificate must be signed by Grantor's chief financial officer or, if Grantor does not have a chief financial officer, such other officer or employee of Grantor who performs the duties typically undertaken by a chief financial officer.

b) If a guaranty has been executed in connection with the Loan Documents, Grantor shall assure that, within thirty (30) days of the end of each fiscal year end of Guarantor, Guarantor provides Secured Party with Guarantor's own Compliance Certificate representing that Guarantor is in full compliance with the financial covenants, if any, set forth in Exhibit A and setting forth the calculations used by Guarantor to reach its conclusion. The Compliance Certificate shall be signed by Guarantor's chief financial officer or, if Guarantor does not have a chief financial officer, such other officer or employee of Guarantor who performs the duties typically undertaken by a chief financial officer.

ARTICLE 3 -- EVENTS OF LOSS

Section 3.1 Event of Loss with Respect to the Aircraft Grantor will deliver to Secured Party written notice of the occurrence of any Event of Loss with respect to the Aircraft within five (5) days after the occurrence thereof. On the next Note Payment Date following such Event of Loss, Grantor will pay to Secured Party an amount equal to the sum of (A) all amounts then due hereunder, under any other Loan Documents, and under the Note, plus (B) the Loss Value of the Aircraft determined as of such Note Payment Date. Upon payment in full by the Grantor of all such amounts, the Aircraft having suffered the Event of Loss will be released from the lien of this Agreement and the Secured Party will execute and deliver, at the Grantor's cost and expense, such instruments as may be reasonably required to evidence such release.

Section 3.2 Event of Loss with Respect to an Engine Grantor will deliver to Secured Party written notice of the occurrence of any Event of Loss with respect to an Engine under circumstances in which there has not occurred an Event of Loss with respect to the Airframe within five (5) days after the occurrence thereof. Within thirty (30) days after the occurrence of such Event of Loss, Grantor will convey to Secured Party, as replacement for the Engine with respect to which such Event of Loss occurred, a security interest to and International Interest in an engine that is (a) the same make and model number as the Engine suffering the Event of Loss, (b) free and clear of all Liens other than Permitted Liens, (c) of a value, utility, and useful life at least equal to, and in as good an operating condition as, the Engine suffering the Event of Loss, 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. Grantor, at its sole cost and expense, will furnish Secured Party with such documents to evidence the conveyance and the International Interest and shall make such filings and registrations with the FAA and the International Registry (and hereby consents to such registrations with the International Registry) with respect thereto, in each case, as Secured Party requests. Upon full compliance by Grantor with the terms of this paragraph, Secured Party will release Secured Party's right, title and interest, if any, in and to the Engine suffering the Event of Loss. Each replacement engine will, after such conveyance, be deemed an "Engine" as defined herein and will be deemed part of the same Aircraft as was the replaced Engine. No Event of Loss with respect to an Engine will result in

any reduction or delay in the payment of any amounts due under the Note or hereunder or otherwise relieve Grantor of any obligation under this Agreement

Section 3.3 Application of Payments from Governmental Authorities or other Persons Any payments (other than insurance proceeds, the application of which is provided for in Article 4), received at any time by the Secured Party or Grantor from any governmental authority or other Person with respect to any Event of Loss, or from a governmental authority with respect to an event which does not constitute an Event of Loss, will be applied as follows:

a) Such payments will be applied in reduction of the Grantor's obligation to pay the Loss Value, if not already paid by the Grantor, or if already paid by the Grantor, will be applied to reimburse the Grantor for its payment of such amounts. The balance, if any, of such payment remaining thereafter and after payment of all amounts then due and payable under the Loan Documents, will be paid to the Grantor.

b) If such payments are received with respect to a requisition for use by the government which does not constitute an Event of Loss, such payments may be retained by the Grantor.

c) Notwithstanding the foregoing provisions of this Section 3.3, any payments (other than insurance proceeds, the application of which is provided for in Article 4) received at any time by the Secured Party from any governmental authority or other Person with respect to any Event of Loss, which are payable to the Grantor, will not be paid to the Grantor if at the time of such payment an Event of Default or Default has occurred and is continuing, in which event all such amounts will be paid to and held by the Secured Party as security for the Obligations or, at the Secured Party's option, applied by the Secured Party toward the payment of such Obligations at the time due in such order of application as the Secured Party may from time to time elect. At such time as no Event of Default or Default has occurred and is continuing, all such amounts at the time held by the Secured Party in excess of the amount, if any, the Secured Party elected to apply as above provided will be paid to the Grantor.

Section 3.4 Rights Assigned In furtherance of the foregoing, the Grantor hereby irrevocably assigns, transfers and sets over to the Secured Party all rights of the Grantor to any award or payment received by or payable to the Grantor on account of an Event of Loss.

ARTICLE 4 -- INSURANCE

Section 4.1 Insurance Grantor, at its sole cost and expense, will maintain or cause to be maintained:

a) aircraft liability insurance covering claims arising from the use or operation of the Aircraft in or over any area (including contractual liability and bodily injury and property damage liability) in an amount not less than the greater of (i) \$50,000,000 per occurrence or such higher amounts as are required by law in the geographic location or country in or over which the Aircraft is flown, operated or located, and (ii) the amounts of aircraft liability insurance from time to time applicable to aircraft operated by Grantor (whether owned or leased) of the type of the Aircraft.

b) cargo liability insurance sufficient to cover the maximum value of cargo on the Aircraft at any one time if Grantor is engaged in transporting property of others.

c) all-risk aircraft physical damage insurance covering the Aircraft in motion and not in motion, in flight and on the ground, and the Engine and all Parts while attached to or removed from the Airframe, in an amount not less than the lesser of the full insurable value of the Aircraft or the then Loss Value.

d) for all locations which the Aircraft travels to and through, war and allied perils insurance to cover the perils of (i) war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, martial law, military or usurped power or attempts at usurpation of power, (ii) strikes, riots, civil commotions of labor disturbances, (iii) any act of one or more persons, whether or not agents of a sovereign power, for political or terrorist purposes and whether the loss or damage resulting therefrom is accidental or intentional, (iv) any vandalism, malicious act or act of sabotage, (v) confiscation, nationalization, seizure, restraint, detention, diversion, appropriation, requisition for title or use by or under the order of any government (whether civil, military or de facto) or public or local authority, and (vi) hijacking or any unlawful seizure or wrongful exercise of control of the crew in flight, and

e) such other insurance against such other risks as is usually carried by similar companies owning or leasing and operating aircraft similar to the Aircraft. All such insurance will be maintained with insurers of recognized reputation and responsibility (reasonably satisfactory to Secured Party) having a rating not less than A- from A.M. Best or other rating approved by Secured Party. All insurance policies will be in a form acceptable to Secured Party.

f) If Grantor fails to maintain insurance as herein provided Secured Party may at its option provide such insurance and Grantor will upon demand reimburse Secured Party for the cost thereof

Section 4.2 Requirements All insurance policies required hereunder will (a) require 30 days prior written notice to Secured Party of cancellation, non-renewal or material change in coverage (any such cancellation non-renewal or change as applicable not being effective until the thirtieth (30th) day after the giving of such notice) except, in the case of cancellation for non-payment of premium, only 10 days' prior written notice shall be required and in the case of cancellation of the coverages described under Section 4.1(d), notice as established under the applicable endorsements (b) name the Additional Insureds (as hereinafter defined) as an additional insured under the liability coverage and name Additional Insureds as sole loss payee under the physical damage insurance coverage (c) not require contributions from other policies held by the Additional Insureds, (d) waive any right of subrogation against the Additional Insureds (e) in respect of any liability of any of the Additional Insureds except for the insurers' salvage rights in the event of a loss or damage waive the right of such insurers to setoff, to counterclaim or to any other deduction, whether by attachment or otherwise to the extent of any monies due the Additional Insureds under such policies, (f) permit but not require that any of the Additional Insureds pay or be liable for any premiums with respect to such insurance covered thereby (g) provide for coverage in all areas in which the Aircraft is permitted to fly under the terms hereof (h) provide that all of the provisions thereof except the limits of liability will operate in the same manner as if there were a separate policy covering each Additional Insured, and (i) contain breach of warranty provisions providing that, in respect of the interests of the Additional Insureds in such policies, the insurance will not be invalidated by any action or inaction of Grantor or any other person (other than an Additional Insured, as to itself only) and will insure the Additional Insureds regardless of any breach or violation of any warranty declaration or condition contained in such policies by Grantor or by any other person (other than an Additional Insured as to itself only) As used herein the term Additional Insureds means KeyCorp and its subsidiaries and affiliated companies including Key Equipment Finance Inc and their respective successors and/or assigns

Section 4.3 No Right to Self-insure Grantor will 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 Grantor and operating the same or similar aircraft and approved by Secured Party

Section 4.4 Notice of Loss or Damage, Application of Proceeds Grantor will give Secured Party prompt notice of any damage to or loss of the Aircraft or any part thereof Insurance proceeds for partial loss or damage to the Aircraft or any part thereof will be applied as Secured Party in its sole discretion determines

Section 4.5 Reports, Policies, Certificates Prior to the Closing Date, Grantor will deliver to the Additional Insureds certificate(s) of insurance and copies of the lienholder's endorsement evidencing that the insurance coverage required hereunder has been obtained beyond such expiration date, together with a certificate certifying that such insurance complies with the terms hereof accompanied if requested by Secured Party by the applicable policies and report(s) of insurance broker(s) or underwriter(s) as to the conformity of such coverage with such requirements *provided however* that the Additional Insureds will be under no duty either to ascertain the existence of or to examine any certificates or reports or to advise Grantor if such insurance does not comply with the requirements of this section Not less than fifteen (15) days prior to the expiration dates of the policies obtained by Grantor pursuant to this Section Grantor will deliver to the Additional Insured certificate(s) of insurance and copies of the lienholder's endorsement evidencing that the coverage required hereunder has been obtained beyond such expiration date together with a certificate certifying that such insurance complies with the terms hereof, accompanied by any additional documentation regarding such insurance requested by Secured Party

Section 4.6 Attorney-in Fact Grantor irrevocably appoints Secured Party (and any assignee, mortgagee and/or lender of the Secured Party) its attorney-in-fact to file settle or adjust and receive payment of claims under any insurance policy required hereby and to endorse Grantor's name on any checks, drafts or other instruments in payment of such claims and to otherwise act in Grantor's name and on its behalf to make, execute, deliver and file any instruments or documents necessary in connection therewith, and to take any action as Secured Party (and any such assignee mortgagee and/or lender) deems necessary or appropriate to obtain the benefits intended to inure to Secured Party under this Section 4 To the extent appropriate or permissible under applicable law such appointment is coupled with an interest is irrevocable and will terminate only upon payment in full of the obligations set forth in this Agreement and/or any agreements documents or instruments related thereto Notwithstanding the foregoing unless a Default or Event of Default has occurred and is continuing hereunder Secured Party agrees that it will not exercise its powers as attorney in fact with respect to claims for damages in amounts payable under such policies of insurance which are less than the lesser of (i) \$100,000.00 or (ii) ten percent (10%) of the principal amount of the Note if the original principal amount of the Note is under one million dollars (\$1,000,000)

ARTICLE 5 -- EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Events of Default, Remedies As used herein the term Event of Default means any of the following events

- a) Grantor fails to pay any installment of principal or interest on the Note or any amount due hereunder within ten (10) days after the same has become due,
- b) Grantor fails to keep in full force and effect any of the insurance required under this Agreement, or operates the Aircraft at a time when, or at a place in which such insurance is not in effect
- c) Grantor fails to perform or observe any other covenant, condition or agreement required to be performed or observed by it hereunder or under any agreement document or certificate related hereto and such failure continues for ten (10) days after written notice thereof from Secured Party to Grantor
- d) Grantor defaults in the payment or performance of any other obligation to Secured Party or any affiliated Person controlling controlled by or under common control with Secured Party
- e) any representation or warranty now or hereafter made or information now or hereafter provided by Grantor including any financial information proves to be or to have been false, inaccurate or misleading in any material respect
- f) the commencement of any bankruptcy insolvency arrangement, reorganization receivership liquidation or other similar proceeding by or against Grantor or any of its properties or businesses (which in the case of a proceeding commenced against Grantor has not been dismissed within sixty (60) days of the filing thereof) the appointment of a trustee receiver liquidator or custodian for Grantor or any of its properties or businesses or the making by Grantor of a general assignment or deed of trust for the benefit of creditors,
- g) Grantor defaults in any obligation to a third party, as a result of which such third party has the right to accelerate Grantor's obligations to such third party
- h) Grantor does or agrees to (i) sell transfer or dispose of all or substantially all of its stock or other ownership interests assets or property (ii) merge with or into any other entity or engage in any form of corporate reorganization (iii) become the subject of, or engage in, a leveraged buy-out or (iv) terminate its existence by merger consolidation or sale of substantially all of its assets or otherwise,
- i) if Grantor is a privately held entity more than 50% of Grantor's voting capital stock or ownership interests or effective control of Grantor's voting ownership interests or capital stock issued and outstanding from time to time is not retained by the holders of such stock or interests on the date of this Agreement
- j) if Grantor is a publicly held corporation there is a change in the ownership of Grantor's stock such that Grantor 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
- k) Grantor if an individual dies or if a legal entity, is dissolved
- l) Grantor becomes insolvent or generally fails to pay its debts as they become due or Grantor admits in writing its inability to pay its debts or obligations generally as they become due
- m) Secured Party determines 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 Grantor since the date of this Agreement or that Grantor's ability to make any payment hereunder promptly when due or otherwise comply with the terms of this Agreement or any other agreement between Secured Party and Grantor is impaired
- n) any event or condition set forth in subsections (d) through (m) of this section occurs with respect to any Guarantor or other Person responsible in whole or in part for payment or performance of Grantor's obligations under this Agreement
- o) any event or condition set forth in subsections (d) through (m) of this section occurs with respect to any affiliated Person or any Person controlling controlled by or under common control with Grantor
- p) any of the liens created or granted hereby or intended to be granted or created hereby to Secured Party fails to be valid first priority perfected liens subject to no prior or equal lien and
- q) an additional Lien (other than a Permitted Lien) attaches to the Equipment or any of the other Collateral the Equipment or any of the other Collateral becomes subject to risk of seizure or forfeiture or Grantor creates in favor of or provides for the benefit of any Person (other than the Secured Party) or registers or consents to the registration with the International Registry of an International Interest or a Prospective

International Interest in or relating to the Airframe or Engines or provides a IDERA in favor of any Person with respect to the Aircraft other than Secured Party

Section 5.2 Remedies Upon the occurrence of any Event of Default Secured Party may declare any or all of the Obligations to be immediately due and payable, without demand or notice to Grantor or any Guarantor and Secured Party will have the immediate right to enforce its rights hereunder. The Obligations accelerated thereby will bear interest (both before and after any judgment) until paid in full at the Default Rate. Should there occur a Default and if a voluntary or involuntary petition under the United States Bankruptcy Code is filed by or against Grantor while such Default remains uncured the Secured Obligations will be automatically accelerated and due and payable, and interest thereon at the Default Rate will automatically apply as of the date of the first occurrence of the Default without any notice demand or action of any type on the part of Secured Party (including any action evidencing the acceleration or imposition of the Default Rate). The fact that Secured Party has prior to the filing of the voluntary or involuntary petition under the United States Bankruptcy Code, acted in a manner which is inconsistent with the acceleration and imposition of such rate will not constitute a waiver of this provision or estop Secured Party from asserting or enforcing Secured Party's rights hereunder. In addition Secured Party may exercise any one or more of the following remedies as Secured Party in its sole discretion elects

- a) Proceed by appropriate court action either at law or in equity to enforce performance by Grantor of this Agreement or to recover damages including incidental and consequential damages for the breach hereof
- b) Cause Grantor at its expense promptly to return the Aircraft to Secured Party at such place as Secured Party designates
- c) Enter upon any premises where the Aircraft is located and, without notice to Grantor 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 Secured Party for or by reason of such entry or taking of possession
- d) Sell or otherwise dispose of the Aircraft by public or private sale, with or without notice to the Grantor and without having the Aircraft present at the place of sale and in such manner as it deems appropriate. Secured Party may elect to purchase the Aircraft at such sale for a price not less than the highest bona fide bid given by a Person unrelated to Grantor. Grantor waives all of its rights under laws governing such sale to the extent permitted by law. Grantor hereby agrees that ten working days' prior notice to Grantor of any public sale or of the time after which a private sale may be negotiated will be conclusively deemed commercially reasonable notice
- e) Hold keep idle lease de register, export or use or operate all or part of the Aircraft without any liability whatsoever and store the Aircraft on Grantor's premises pending lease or sale or hold a sale on such premises without liability for rent or costs whatsoever
- f) Exercise any other right or remedy available to Secured Party under applicable law

In addition Grantor will be liable for all costs, charges and expenses, including reasonable legal fees and disbursements and any appraisal costs incurred by Secured Party by reason of the occurrence of any Event of Default or in enforcing Secured Party's rights under the Agreement, before or in connection with litigation and for any deficiency in the disposition of the Aircraft

Section 5.3 Remedies Cumulative Each and every right power and remedy herein specifically given to the Secured Party or otherwise in this Agreement or the other Loan Documents are cumulative and are in addition to every other right power and remedy herein or therein specifically given or now or hereafter existing at law including upon an Event of Default any applicable remedies specified under the Cape Town Treaty available to Secured Party in equity or by statute and each and every right power and remedy whether specifically herein or therein given or otherwise existing may be exercised from time to time and as often and in such order as may be deemed expedient by the Secured Party and the exercise or the beginning of the exercise of any power or remedy will not be construed to be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy. No delay or omission by the Secured Party in the exercise of any right power or remedy or in the pursuit of any remedy will impair any such right power or remedy or be construed to be a waiver of any default on the part of the Grantor to be an acquiescence therein

Section 5.4 Grantor's Waiver of Rights To the extent permitted by applicable law the Grantor hereby waives any rights now or hereafter conferred by statute or otherwise which might limit or modify any of the rights or remedies of the Secured Party under or in connection with this Article 5, including any right to require Secured Party to sell lease or otherwise use the Aircraft in mitigation of Secured Party's damages as set forth herein

Section 5.5 Power of Attorney The Grantor hereby appoints the Secured Party or its designated agent as such Grantor's attorney-in fact irrevocably with full power of substitution to collect all payments with respect to the Collateral due and to become due under or arising out of this Agreement or any other Loan Document to receive all

moneys (including proceeds of insurance) which may become due under any policy insuring the Collateral and all awards payable in connection with the condemnation, requisition or seizure of the Collateral, or any part thereof, to execute proofs of claim, to endorse drafts, checks and other instruments for the payment of money payable to the Grantor in payment of such insurance moneys and to do all other acts, things, take any actions (including the filing of financing statements or other documents) or institute any proceedings which the Secured Party may deem to be necessary or appropriate at any time to protect and preserve the interest of the Secured Party in the Collateral or in this Agreement or the other Loan Documents.

Section 5.6 Distribution of Amounts Received After an Event of Default All payments received and amounts realized by the Secured Party with respect to the Collateral after an Event of Default has occurred and is continuing (whether realized from the exercise of any remedies pursuant to this Article 5 or otherwise), as well as payments or amounts then held by the Secured Party as part of the Collateral, will be distributed by the Secured Party in the following order of priority:

- a) First, so much of such payments and amounts as are required to pay the expenses paid by the Secured Party pursuant to this Article 5 (to the extent not previously reimbursed) will be paid to the Secured Party.
- b) Second, so much of such payments or amounts as are required to pay the amounts payable to any Indemnified Party (to the extent not previously reimbursed) will be paid to such Indemnified Party.
- c) Third, so much of such payments or amounts remaining as are required to pay in full the aggregate unpaid principal amount of the Loan, the accrued but unpaid interest thereon to the date of distribution, indemnification for funding losses, if any, and all other Obligations, will be paid to the Secured Party, such payments or amounts to be applied to the amounts so due, owing or unpaid in such order of application as the Secured Party may from time to time elect, and
- d) Fourth, the balance, if any, of such payments or amounts remaining thereafter will be paid to the Grantor.

Section 5.7 Suits for Enforcement In case of any default in payment of the Loan beyond any applicable grace period, then, regardless of whether or not the Loan has then been accelerated, the Secured Party may proceed to enforce the payment of the Loan. The Grantor agrees that, in the case of any default in the payment of the Loan, it will pay the Secured Party such further amount as is sufficient to pay the costs and expenses of collection, including reasonable attorneys' fees and expenses.

ARTICLE 6 -- REPRESENTATIONS AND WARRANTIES

Section 6.1 Representations, Warranties and Covenants of Grantor Grantor represents, warrants and covenants that:

- a) Grantor's exact legal name is as set forth in the preamble of this Agreement and Grantor (i) is and will remain duly organized, existing and in good standing under the laws of the State set forth in the preamble of this Agreement, (ii) has its chief executive offices at the location set forth in such paragraph, (iii) is and will remain, duly qualified and licensed in every jurisdiction wherever necessary to carry on its business and operations, (iv) is and will continue to be a "citizen of the United States" within the meaning of the Title 49, Subtitle VII of the United States Code, as amended and recodified, and the regulations thereunder so long as any Obligations are due to Secured Party under the Loan Documents, (v) has not, within the previous six (6) years, changed its name, done business under any other names, changed its chief place of business from its present location, or merged or consolidated with any other entity except as previously disclosed to Secured Party, and (vi) is not insolvent within the meaning of any applicable state or federal law.
- b) Grantor has full power, authority and legal right to enter into and to perform its obligations under each of the Loan Documents and has full right and lawful authority to grant the security interest described in this Agreement.
- c) The Loan Documents have been duly authorized, executed and delivered by Grantor and constitute legal, valid and binding agreements enforceable under all applicable laws in accordance with their terms, except to the extent that the enforcement of remedies may be limited under applicable bankruptcy and insolvency laws.
- d) No approval, consent or withholding of objections is required from any governmental body, agency, authority or instrumentality or any other entity with respect to the entry into or performance by Grantor of any of the Loan Documents, except such as have already been obtained.

e) The entry into and performance by Grantor of the Loan Documents will not (i) violate any of Grantor's organizational documents or any judgment, order, law or regulation applicable to Grantor, or (ii) result in any breach of, constitute a default under, or result in the creation of, any lien, claim or encumbrance on any of Grantor's property (except for liens in favor of Secured Party) pursuant to, any indenture, mortgage, deed of trust, bank loan, credit agreement, or other agreement or instrument to which Grantor is a party.

f) There are no suits or proceedings pending or, to Grantor's knowledge, threatened in court or before any commission, board or other administrative agency against or affecting Grantor which could, in the aggregate, have a material adverse effect on Grantor's business or operations or its ability to perform its obligations under the Loan Documents.

g) All financial statements, if any, delivered to Secured Party in connection with the Obligations have been prepared in accordance with generally accepted accounting principles, and since the date of the most recent financial statement there has been no material adverse change in Grantor's financial condition or business prospects.

h) Grantor is (or, if the Aircraft is to be acquired hereafter, will be) and will remain the sole lawful owner of the Aircraft and, except as otherwise consented to in writing by Secured Party, Grantor will remain in sole, open and notorious possession of the Aircraft. Grantor has (or, if the Aircraft is to be acquired hereafter, will upon acquisition thereof have) good and marketable title to the Aircraft and power to dispose of the Aircraft, free and clear of all liens and encumbrances other than the lien evidenced by this Agreement and Permitted Liens. Grantor will, at all times during which any amount remains unpaid hereunder or under the Note, keep the Aircraft and the other Collateral free from all Liens other than those in favor of Secured Party and Permitted Liens, and Grantor will defend the Aircraft and the other Collateral against all claims and demands of all other persons claiming any interest therein.

i) Grantor has filed or caused to be filed all required federal, state and local tax returns, and has paid or caused to be paid and will continue to pay all taxes that are due and payable with respect to its business and assets (except if being contested in good faith and if adequate reserves for the payment thereof have been established). All sales, use, documentation or similar taxes, fees or other charges due and payable on or prior to the date hereof with respect to the sale to and purchase by Grantor of the Aircraft have been paid in full. Grantor will promptly pay or cause to be paid all taxes, license fees, assessments and public and private charges that are or may be levied or assessed on or against the Aircraft or the ownership or use thereof, or on this Agreement.

j) Grantor is the registered owner of the Aircraft, as shown in the records of the FAA and, so long as any of the Obligations remain unpaid, Grantor will not impair such registration or cause it to be impaired, suspended or cancelled, nor will Grantor register the Aircraft under the laws of any country except the United States of America.

k) Grantor will promptly notify Secured Party of any facts or occurrences which do or, by passage of time or otherwise, will constitute a breach of any of the above warranties and covenants.

l) Each of the Engines has 550HP rated takeoff horsepower or the equivalent of such horsepower and, if a jet propulsion engine, has at least 1750 lbs of thrust or its equivalent, and each Propeller (if any) has a rated takeoff horsepower of 750HP or greater horsepower or the equivalent of such horsepower.

m) Except for (i) registration of the Aircraft with the FAA, (ii) filing and recording of this Agreement with the FAA, (iii) the filing of AC Form 8050-135 with respect to the International Interests assigned or created (or to be assigned or created in the case of Prospective Assignments or Prospective International Interests) in the Aircraft by this Agreement and effecting the registration of such interests with the International Registry and (iv) filing of a financing statement under the UCC, no further action, including any filing, registration or recording of any document, is necessary or advisable in order to establish and perfect Secured Party's interest in the Aircraft as against Grantor and/or any other Person.

n) Grantor has no pending claims and Grantor has no knowledge of any facts upon which a future claim may be based, in each case for breach of warranty or otherwise, against any prior owner, any manufacturer or any supplier of the Airframe, any Propeller, any Engine or any Parts.

o) The Records have been kept and Grantor will, so long as any Obligations remain outstanding, continue to keep the Records in accordance with the requirements of the FAA rules and regulations and industry standards.

ARTICLE 7 - SECURITY INTEREST ABSOLUTE

Section 7.1 Security Interest Absolute All rights of the Secured Party and the security interests and International Interests assigned, granted to and created in favor of the Secured Party hereunder, and all obligations of the Grantor hereunder, will be absolute and unconditional, irrespective of

- a) any lack of validity or enforceability of any Loan Document
- b) the failure of the Secured Party to
 - (i) assert any claim or demand or to enforce any right or remedy against the Grantor or any other Person under the provisions of the Loan Agreement, any other Loan Document or otherwise, or
 - (ii) to exercise any right or remedy against any Guarantor of, or collateral securing, any of the Obligations
- c) any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations, or any other extension, compromise or renewal of any of the Obligations
- d) any reduction, limitation, impairment or termination of any of the Obligations for any reason, including any claim of waiver, release, surrender, alteration or compromise, and will not be subject to (and the Grantor hereby waives any right to or claim of) any defense or setoff, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality, nongenuineness, irregularity, compromise, unenforceability of, or any other event or occurrence affecting, any of the Obligations
- e) any amendment to, rescission, waiver, or other modification of, or any consent to departure from any of the terms of the Loan Agreement or any other Loan Document
- f) any addition, exchange, release, surrender or nonperfection of any collateral (including the Collateral), or any amendment to or waiver or release of or addition to or consent to departure from any guaranty for any of the Obligations, or
- g) any other circumstances which might otherwise constitute a defense available to, or a legal or equitable discharge of, the Grantor, any surety or any guarantor

ARTICLE 8 -- MISCELLANEOUS

Section 8.1 Governing Law, Jurisdiction THIS AGREEMENT IS BEING DELIVERED IN THE STATE OF NEW YORK. THIS AGREEMENT INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, WILL IN ALL RESPECTS BE GOVERNED BY AND BE CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICT OF LAW PRINCIPLES. Grantor hereby irrevocably consents and agrees that any legal action, suit or proceeding arising out of or in any way in connection with this Agreement or any of the other Loan Documents may be instituted or brought in the courts of the State of New York or in the United States Courts located in the State of New York, and the appellate courts from any thereof, as Secured Party may elect or in any other state or Federal court as Secured Party shall deem appropriate, and by execution and delivery of this Agreement, Grantor 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. Grantor irrevocably consents to service of any summons and/or legal process by first class, certified United States air mail, postage prepaid to Grantor at the address set forth herein, such method of service to constitute, in every respect, sufficient and effective service of process in any such legal action or proceeding. Nothing in this Agreement or in any of the other Loan Documents shall affect the right to service of process in any other manner permitted by law or limit the right of Secured Party to bring actions, suits or proceedings in the courts of any other jurisdiction. Grantor further agrees that final judgment against it in any such legal action, suit or proceeding shall be conclusive and may be enforced in any other jurisdiction, within or outside the United States of America, by suit on the judgment, a certified or exemplified copy of which shall be conclusive evidence of the fact and the amount of the liability. Secured Party and Grantor agree that such state and Federal courts of and within the State of New York have non-exclusive jurisdiction in respect of any claims brought under the Cape Town Treaty relating to the Aircraft.

Section 8.2 Notices All notices and other communications hereunder will be in writing and will be transmitted by hand, overnight courier or certified mail (return receipt requested), US postage prepaid. Such notices and other communications will be addressed if to Secured Party, Key Equipment Finance Inc., 66 South Pearl St. - 7th Floor, Albany, NY 12207, and if to Grantor, Kean Aviation LLC, PO Box 430, Reno, OH 45773, or at such other address as any party may from time to time designate by notice duly given in accordance with this section. Such notices and other communications will be effective upon the earlier of receipt or three days after mailing if mailed in accordance with the terms of this section.

Section 8.3 Time of the Essence Time is of the essence in the payment and performance of all of Grantor's obligations hereunder and under the other Loan Documents

Section 8.4 Limitation as to Enforcement of Rights, Remedies and Claims Nothing in this Agreement whether express or implied, will be construed to give to any Person other than the Grantor and the Secured Party any legal or equitable right, remedy or claim under or in respect of this Agreement or any other Loan Document

Section 8.5 Severability of Invalid Provisions Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction will as to such provision 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 will not invalidate or render unenforceable such provision in any other jurisdiction

Section 8.6 Assignment GRANTOR WILL NOT SELL, TRANSFER, ASSIGN, CHARTER, LEASE, CONVEY, PLEDGE, MORTGAGE OR OTHERWISE ENCUMBER THE AIRCRAFT OR THIS AGREEMENT AND ANY SUCH ATTEMPTED SALE, TRANSFER, ASSIGNMENT, CHARTER, LEASE, CONVEYANCE, PLEDGE, MORTGAGE OR ENCUMBRANCE, WHETHER BY OPERATION OF LAW OR OTHERWISE, WITHOUT THE PRIOR WRITTEN CONSENT OF SECURED PARTY WILL BE NULL AND VOID. IN ADDITION, GRANTOR WILL NOT ENTER INTO ANY INTERCHANGE AGREEMENT WITH RESPECT TO THE AIRCRAFT OR RELINQUISH POSSESSION OF THE AIRCRAFT 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 DESCRIBED HEREIN. Notwithstanding Section 2.1(c) and the preceding provisions of this Section 8.6, Grantor may enter into a charter or other similar agreement provided that Grantor contemporaneously collaterally assigns such agreement to Secured Party pursuant to an Assignment of Aircraft Charter Agreement acceptable to Secured Party. No consent by Secured Party to any of the foregoing will in any event relieve Grantor of primary, absolute and unconditional liability for its duties and obligations under this Agreement. Secured Party, at any time with or without notice to Grantor, may sell, transfer, assign and/or grant a security interest in all or any part of Secured Party's interest in the Loan Documents or the Aircraft or any part thereof (each a "Secured Party Transfer") and Grantor hereby expressly consents in advance to any such assignment by Secured Party of the Loan Documents and Secured Party's associated rights therein, including in connection therewith any assignment of Secured Party International Interests assigned or created hereunder in or relating to the Aircraft. Any purchaser, transferee, assignee or secured party of Secured Party (each a "Secured Party Assignee") will have and may exercise all of Secured Party's rights hereunder with respect to the items to which any such Secured Party Transfer relates and Grantor will not assert against any Secured Party Assignee any claim Grantor may have against Secured Party, provided Grantor may assert any such claim in a separate action against Secured Party. Upon receipt of written notice of a Secured Party Transfer, Grantor will promptly acknowledge in writing its obligations under this Agreement will comply with the written directions or demands of any Secured Party Assignee and will make all payments due under the assigned Agreement as directed in writing by the Secured Party Assignee. Following such Secured Party Transfer, the term "Secured Party" will be deemed to include or refer to each Secured Party Assignee. Grantor will provide reasonable assistance to Secured Party to complete any transaction contemplated by this subsection. Subject to the restriction on assignment contained in this subsection, this Agreement inures to the benefit of, and is binding upon, the successors and assigns of the parties hereto.

Section 8.7 Benefit of Parties, Successors and Assigns, Entire Agreement All representations, warranties, covenants and agreements contained herein or delivered in connection herewith will be binding upon and inure to the benefit of the Grantor and the Secured Party and their respective legal representatives, successors and assigns. This Agreement, together with the other Loan Documents, constitute the entire agreement of the parties hereto with respect to the subject matter hereof and supersedes all prior understandings and agreements of such parties.

Section 8.8 Further Assurances At any time and from time to time, upon the request of the Secured Party, the Grantor will promptly and duly execute and deliver any and all such further instruments and documents and take such action (including providing any necessary consents) with the International Registry as may be specified in such request and as are necessary or desirable to perfect, preserve or protect the security interests, International Interests and assignments created or intended to be created hereby or to obtain for the Secured Party the full benefit of the specific rights and powers herein granted and assigned, including the execution and delivery of Uniform Commercial Code financing statements and continuation statements with respect thereto, or similar instruments relating to the perfection of the mortgage, security interests, International Interests or assignments created or intended to be created hereby.

Section 8.9 Performance by Secured Party In its discretion, the Secured Party may (but will not be obligated to) at any time and from time to time (regardless of whether or not a Default or an Event of Default has occurred) for the account of the Grantor, pay any amount required to be paid by the Grantor hereunder, or do any act required of the Grantor hereunder and which the Grantor fails to pay or do at the time required, and any such payment will be repayable to the Secured Party by the Grantor on demand, will bear interest at the Default Rate and will be secured by the Collateral.

Section 8 10 Indemnity Grantor will indemnify and hold harmless Secured Party and each Secured Party Assignee on an after tax basis, from and against any and all liabilities, causes of action claims, suits, penalties damages losses costs or expenses (including attorneys fees) obligations demands and judgments (collectively a Liability") arising out of or in any way related to (a) Grantor's failure to perform any covenant under any of the Loan Documents (b) the untruth of any representation or warranty made by Grantor under the Loan Documents, (c) the order manufacture purchase ownership selection acceptance rejection possession rental sublease operation use maintenance, control loss damage destruction removal, storage, surrender, sale, condition delivery, return or other disposition of or any other matter relating to the Aircraft, or (d) injury to persons property or the environment including any Liability based on strict liability in tort, negligence, breach of warranties or Grantor's failure to comply fully with applicable law or regulatory requirements provided, that the foregoing indemnity will not extend to any Liability to the extent resulting solely from the gross negligence or willful misconduct of Secured Party

Section 8 11 Amendments Neither this Agreement, nor any of the terms hereof, may be terminated amended supplemented, waived or modified orally, but only by an instrument in writing which is signed by the party against whom the enforcement of the termination, amendment supplement waiver or modification is sought

Section 8 12 Waiver of Jury Trial SECURED PARTY AND GRANTOR HEREBY EACH WAIVE THEIR RESPECTIVE RIGHTS TO TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THE AIRCRAFT OR THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS THIS WAIVER IS MADE KNOWINGLY WILLINGLY AND VOLUNTARILY BY SECURED PARTY AND GRANTOR, WHO EACH ACKNOWLEDGE THAT NO REPRESENTATIONS HAVE BEEN MADE BY ANY INDIVIDUAL TO INDUCE THIS WAIVER OF TRIAL BY JURY OR IN ANY WAY TO MODIFY OR NULLIFY ITS EFFECT THIS WAIVER APPLIES TO ANY SUBSEQUENT AMENDMENTS RENEWALS SUPPLEMENTS OR MODIFICATIONS HERETO GRANTOR AGREES THAT IT WILL NOT ASSERT ANY CLAIM AGAINST THE SECURED PARTY OR ANY OTHER PERSON INDEMNIFIED UNDER THIS AGREEMENT ON ANY THEORY OF LIABILITY FOR SPECIAL INDIRECT CONSEQUENTIAL INCIDENTAL OR PUNITIVE DAMAGES

Section 8 13 Counterpart Execution, Joint and Several Liability This Agreement and any amendments to this Agreement may be executed in any number of counterparts and by different parties on separate counterparts each of which when so executed and delivered, will be an original, but all such counterparts will together constitute but one and the same instrument Fully executed sets of counterparts will be delivered to and retained by the Grantor and the Secured Party If this Agreement is executed by more than one Person as Grantor, the obligations of all such signers hereunder will be joint and several and all references to "Grantor" will apply both jointly and severally

ARTICLE 9 -- DEFINITIONS

Section 9 1 Definitions In this Agreement unless the context otherwise requires, the terms defined herein and in any agreement executed in connection herewith include where appropriate the plural as well as the singular and the singular as well as the plural Except as otherwise indicated all agreements defined herein refer to the same as from time to time amended or supplemented, or the terms thereof waived or modified in accordance herewith and therewith The terms including includes and include will be deemed to be followed by the words "without limitation " Unless otherwise defined herein capitalized terms used herein have the meanings given thereto in the Note The following terms have the respective meanings set forth below

a) **Act'** means the Federal Aviation Act of 1958 as amended from time to time and recodified at 49 U S C § 44101 et seq

b) **Adjustment Amount** means as of any date of determination the difference between the Fair Market Value of the Aircraft and the Sales Proceeds In the event that the Sales Proceeds are in excess of the Fair Market Value the Adjustment Amount shall be zero

c) **"Agreement", "this Agreement hereby herein", hereof" hereunder"** or other like words means this Aircraft Security Agreement as it may be amended modified or supplemented from time to time

d) **Aircraft** means the Airframe together with the Engine(s) whether or not such Engine(s) are installed on the Airframe or any other airframe

e) **Airframe** means (i) the one (1) 2007 Cessna model 560XL Citation XLS (excluding however the Engine or engines from time to time installed thereon) having the United States Registration Number and manufacturer's serial number specified on Schedule 1 attached hereto, (ii) any and all avionics, appliances instruments accessories and parts and all replacements therefor which are from time to time incorporated or installed in or attached thereto or which have been removed therefrom and (iii) any replacement airframe which may from time to time be substituted for such Airframe in accordance with the terms of the Agreement

f) **Business Day** means a day other than a Saturday or Sunday on which the banks are open for business in Albany New York

g) **Cape Town Treaty** has the meaning provided in 49 U S C §44113(1)

h) **Closing Date** means the date on which the Secured Party makes the Loan to Grantor pursuant to the Note

i) **Collateral** has the meaning set forth in Section 1.1 hereof

j) **Default** means an event which after the giving of notice or lapse of time or both would become an Event of Default

k) **Default Rate** means the rate per annum set forth in Section 7 of the Note

l) **IDERA** means an Irrevocable De-Registration and Export Request Authorization in substantially the form annexed to the Cape Town Treaty

m) **Engine** means (i) each of the two (2) engines manufactured by Pratt & Whitney model PW545B having the manufacturer's serial number specified on Schedule 1 attached hereto (which engine(s) have 550HP or greater rated takeoff horsepower or the equivalent of such horsepower and if such engine is a jet propulsion aircraft engine, has at least 1750 lb of thrust or its equivalent) whether or not from time to time installed on the Airframe or any other airframe, (ii) any replacement engine which may from time to time be substituted for the Engine pursuant to the terms of the Agreement and (iii) in each case any and all parts which are from time to time incorporated or installed in or attached to the Engine and any and all parts removed therefrom

n) **Equipment** means any or all of the Airframe Engines and Parts

o) **Event of Default** has the meaning set forth in Section 5.1 hereof

p) **Event of Loss** means

(i) the Aircraft is lost, stolen, destroyed, rendered permanently unfit for its intended use or irreparably damaged from any cause whatsoever

(ii) the Aircraft is returned to the manufacturer or seller or either of their agents or nominees pursuant to any warranty settlement or patent indemnity settlement

(iii) the Aircraft is damaged to the extent that an insurance settlement is made on the basis of a total loss or a constructive or compromised total loss,

(iv) the Aircraft is prohibited from use for air transportation by any agency of the Government for a period of six months or more, or

(v) the Aircraft is taken or requisitioned by condemnation or otherwise by any governmental Person including a foreign government or the Government resulting in loss of possession by the Grantor for a period of six months or more

An Event of Loss with respect to the Aircraft will be deemed to have occurred if an Event of Loss occurs with respect to the Airframe that constitutes a part of the Aircraft

q) **FAA** means the United States Federal Aviation Administration or any governmental Person agency or other authority succeeding to the functions of the Federal Aviation Administration

r) **Fair Market Value** means as of any date of determination the then fair market value of the Aircraft determined by an independent appraiser selected by Secured Party on the basis of the amount that would be obtained in an arm's length transaction between an informed and willing buyer-user (who is neither a lessee in possession nor a used equipment dealer) and an informed and willing seller under no compulsion to sell assuming (whether or not the same be true) that (i) the Aircraft has been maintained in accordance with the provisions of this Security Agreement (ii) the Aircraft is in the condition specified Exhibit C hereto and (iii) that the total number of Airframe hours (including any component with hourly overhaul schedules) accumulated from the Closing Date to the date of determination do not exceed the product of 400 (the estimated annual hours) times the number of twelve month periods and any portion thereof from the Closing Date to the date of such determination

s) **Government** means the federal government of the United States of America or any instrumentality or agency thereof

t) **Guarantor** means individually and collectively any guarantor of Grantor's obligations owed to Secured Party

u) **Guaranty** means individually and collectively any agreement under which any Guarantor guarantees Grantor's obligations owed to Secured Party

v) **Incorporated in** means incorporated, installed in or attached to or otherwise made a part of

w) **Indemnified Parties** means the Secured Party and its successors assigns transferees directors officers employees shareholders servants and agents

x) **International Interest** shall have the meaning provided thereto in the Cape Town Treaty

y) **International Registry** has the meaning provided in 49 U.S.C. §44113(3)

z) **Lien** means any assignment, mortgage, pledge, lien, charge, encumbrance lease security interest International Interest Prospective Assignment, Prospective International Interest or any claim or exercise of rights affecting the title to or any interest in property

aa) **Loan Documents** means, collectively, this Agreement, the Note the Guaranty if any an IDERA in favor of Secured Party and all other documents prepared by Secured Party and now or hereafter executed in connection therewith and all amendments, restatements, modifications and supplements thereto

bb) **Loss Value** means 100% of the amount necessary to pay in full as of the date of payment thereof the principal and accrued interest on the Loan plus any prepayment premium. If an Event of Loss occurs during a period of time when no prepayment is permitted the Loss Value will include a prepayment premium in an amount equal to 3% of the then outstanding principal balance remaining under the Note

cc) **Note** means collectively, all now existing or hereafter executed promissory notes by Grantor as maker in favor of Secured Party which according to their respective terms are executed pursuant to and secured by the Collateral pledged under this Agreement, and all amendments restatements, modifications and supplements thereto

dd) **Note Payment Date** has the meaning set forth in the Note

ee) **"Obligations"** has the meaning given in Section 1.1

ff) **Parts** means all appliances parts components instruments, appurtenances, accessories furnishings and other equipment of whatever nature (other than a complete engine or engines) whether now owned or hereafter acquired which may from time to time be incorporated in the Airframe or any Engine (and Part means any of the foregoing) or after removal therefrom, so long as such Parts remain subject to the Lien of this Agreement in accordance with Section 2.4 or Section 2.5 hereof

gg) **Prospective Assignment** shall have the meaning provided thereto in the Cape Town Treaty

hh) **Prospective International Interest** shall have the meaning provided thereto in the Cape Town Treaty

ii) **Permitted Lien** means (i) Liens in favor of or expressly consented to in writing by the Secured Party and (ii) mechanics or other like Liens arising in the ordinary course of business for amounts which are not material and the payment of which is either not yet due or is being contested in good faith by appropriate proceedings so long as such proceedings do not, in the Secured Party's opinion involve any material danger of the attachment sale forfeiture or loss of any item of Equipment or any interest therein (including the Lien of the Secured Party)

jj) **Person** means any individual, corporation, partnership limited liability company joint venture association joint stock company trust unincorporated organization or government or any agency or political subdivision thereof

kk) **Primary Hangar Location** has the meaning specified in Section 2.8

ll) **Propeller(s)** means (i) the propellers (if any) described and listed by manufacturer's serial numbers listed in Schedule 1 (which propeller(s) have a rated takeoff horsepower of 750HP or greater horsepower or the equivalent of such horsepower) and (ii) any replacement propeller which may from time to time be substituted for the Propeller pursuant to the terms of the Agreement

mm) **Purchase Agreement** (if any) means the Aircraft Sale Agreement dated September 23, 2005 between Cessna Aircraft Company as seller and Grantor as buyer as it may be amended modified or supplemented from time to time

nn) **Records** means the records logs and other material described in Section 2.2

oo) **Sales Proceeds** means the proceeds from any sale of the Aircraft, less the costs of any sales agents retained by Secured Party, delivery of documents, filing and documentary transfer fees, taxes relating or arising as a result of such transfer, legal costs, costs of notices, any advertisement or similar costs and any other costs or expenses incurred by the Secured Party in connection with the sale or other disposition of the Aircraft.

pp) **UCC** or "Uniform Commercial Code" means the Uniform Commercial Code as in effect in any applicable jurisdiction.

(Signature pages follow)

IN WITNESS WHEREOF the parties have each executed this Aircraft Security Agreement as of the date set forth above

GRANTOR

Kean Aviation LLC
By KW Aviation Ltd, Its Member

X

Name Kean A Weaver Manager
Address PO Box 430, Marietta OH 45773
Attention Kean A Weaver
Telecopier 740-374-9788

STATE OF Ohio)
COUNTY OF Washington) ss

On this 21st day of September 2007 before me the subscriber personally appeared Kean A Weaver who being by me duly sworn did depose and say that he resides at Washington County, State of Ohio that he is a Manager of KW Aviation Ltd and such limited liability company is the Member of Kean Aviation, LLC, the limited liability company described in and which executed the foregoing instrument and that he signed his name thereto by order of the members/managers of said company

Elizabeth R Tebay
NOTARY PUBLIC
My Commission Expires



ELIZABETH R. TEBAY, Notary Public
In and For The State of Ohio
My Commission Expires 2-28-11

SECURED PARTY

KEY EQUIPMENT FINANCE INC ,

By

Name

Title

Address

Attention

Telecopier

1000 South McCaslin Boulevard

Superior CO 80027

BAF Account Manager

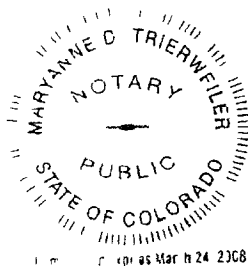
(216) 357-6139

STATE OF Colorado)
COUNTY OF Boulder) ss

On this 21st day of September, 2007, before me the subscriber personally appeared Michael A Wood, who being by me duly sworn did depose and say that he resides at Adams County State of Colorado that he is a Regional Business Unit Manager of Key Equipment Finance Inc the corporation described in and which executed the foregoing instrument and that he signed his name thereto by order of the Board of Directors of said corporation

NOTARY PUBLIC

My Commission Expires 3/24/08



Schedule 1
to Aircraft Security Agreement

Airframe Make and Model	2007 Cessna 560XL Citation XLS
United States Registration Number	N777LX
Airframe Manufacturer s Serial Number	560-5736
Engine Make and Model	Pratt & Whitney PW545B
Engine Manufacturer s Serial Numbers	PCE-DD-0488 PCE-DD-0489

Avionics

Honeywell P 1000 CDS EFIS system with integrated flight director autopilot and LCD displays
 Dual Digital AHRS
 Honeywell Primus II integrated radio system with dual DME and single ADF
 Honeywell WU 880 radar
 Honeywell KHF 1050 High Frequency Transceiver (provisions only)
 Universal UNS-1Esp Flight Management System (single with provisions for a 2nd UNS-1Esp)
 Permanent data transfer unit – Universal
 Honeywell TCAS II (with Software Change 7)
 Honeywell Mark V EGPWS
 Standby Electronic Flight Display
 Standby mechanical HIS
 Locator beacon – Artex C406-2 with navigation interface (three frequency)
 Angle of attack system (including indexer)
 Radio altimeter
 Solid state cockpit voice recorder – L3
 Communications FA2100
 Auxiliary Power Unit (APU) – Honeywell
 Thrust reversers
 Remote cabin temperature control
 Tail flood lights
 Pulselite system
 76 cu Ft oxygen system
 Quick donning oxygen masks
 Three (3) 110 VAC outlets

Exhibit A
to Aircraft Security Agreement

FINANCIAL COVENANTS

None

Exhibit B
to Aircraft Security Agreement

**FORM OF IRREVOCABLE DE-REGISTRATION
AND EXPORT REQUEST AUTHORIZATION**

**IRREVOCABLE DE-REGISTRATION
AND EXPORT REQUEST AUTHORIZATION**

**THIS IRREVOCABLE DE-REGISTRATION AND EXPORT REQUEST AUTHORIZATION IS LINKED TO AND PART OF
THAT CERTAIN AIRCRAFT SECURITY AGREEMENT DATED _____, 2007, BY AND BETWEEN Kean
Aviation, LLC AND KEY EQUIPMENT FINANCE INC , WHICH IS BEING FILED WITH THE FEDERAL AVIATION
ADMINISTRATION CONTEMPORANEOUSLY HERewith**

_____ 20____

To Federal Aviation Administration

Re Irrevocable De-Registration and Export Request Authorization

The undersigned is the registered owner of the 2007 Cessna 560XL Citation XLS bearing manufacturer's serial number 560 5736 and registration N777LX (together with all installed incorporated or attached accessories parts and equipment the aircraft")

This instrument is an irrevocable de registration and export request authorization issued by the undersigned in favor of Key Equipment Finance Inc (the authorized party") under the authority of Article XIII of the Protocol to the Convention on International Interests in Mobile Equipment on Matters specific to Aircraft Equipment In accordance with that Article the undersigned hereby requests

- (i) recognition that the authorized party or the person it certifies as its designee is the sole person entitled to
 - (a) procure the de-registration of the aircraft from the Aircraft Register maintained by the Federal Aviation Administration for the purposes of Chapter III of the *Convention on International Civil Aviation*, signed at Chicago on 7 December 1944, and
 - (b) procure the export and physical transfer of the aircraft from the United States of America and
- (ii) confirmation that the authorized party or the person it certifies as its designee may take the action specified in clause (i) above on written demand without the consent of the undersigned and that upon such demand the authorities in the United States of America shall co-operate with the authorized party with a view to the speedy completion of such action

The rights in favor of the authorized party established by this instrument may not be revoked by the undersigned without the written consent of the authorized party

Please acknowledge your agreement to this request and its terms by appropriate notation in the space provided below and lodging this instrument in the Aircraft Register maintained by the Federal Aviation Administration

Kean Aviation LLC
By KW Aviation Ltd , Its Member

By **EXHIBIT B – DO NOT SIGN**

Name Kean A Weaver
Title Manager

Exhibit C
to Aircraft Security Agreement

CONDITION OF AIRCRAFT

For purposes of determining the Fair Market Value it will be assumed that the Aircraft

(a) At the time of determination is located within the continental United States has no deferred maintenance items outstanding and is

(i) duly certified by the FAA as airworthy

(ii) free and clear of all Liens other than Permitted Liens

(iii) in the same configuration fully equipped with the same Engines in the same operating and physical condition with all systems operating normally, and in good appearance (in each case, ordinary wear and tear excepted) as when originally delivered to Grantor

(iv) in compliance with all so-called mandatory alert and (to the extent applicable to Grantor or its operations) highly recommended or other service bulletins service letters modification kits and similar notices and components issued supplied or available by or through the manufacturer of the Aircraft and with all airworthiness alerts and airworthiness or other directives, circulars operator bulletins and instructions (including those that require terminating within twelve months from the date of determination) and all other applicable service maintenance repair and overhaul regulations issued by the FAA or similar regulatory agency having authority and

(v) shall have no damage history and otherwise be in the condition required under this Lease

(b) Overhaul General At the time of determination

(i) the Airframe (including the landing gear) will 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 then applies in accordance with Grantor's then approved overhaul and/or maintenance program authorized by and performed to FAA requirements applicable to Grantor or the Airframe and will have no less than half life (as measured by reference to calendar phase, periodic maintenance and/or inspection standards) remaining on any life limited Airframe Part or component (including the landing gear) before overhaul or replacement and

(ii) each Engine will 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 periodic maintenance and/or inspection standards) and all cycle limited Parts or time controlled components of each Engine will 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 Grantor's then approved engine overhaul and parts and components replacement program authorized by and performed to FAA requirements applicable to Grantor, and

(iii) Grantor will have performed all inspections and scheduled maintenance required to be performed on the Airframe Propeller(s) Engines and all life limited Parts and components within one hundred eighty (180) days after the date of determination and one hundred fifty (150) hours of additional operation after the hour of last usage

(c) Fuel Records At the time of determination

(i) each fuel tank will be fifty percent (50%) of full capacity and

(ii) Grantor will deliver all Records to Secured Party

Southern District of Ohio Claims Register

2 08-bk-62733 Triad Resources, Inc

Judge C Kathryn Preston **Chapter** 11
Office Columbus **Last Date to file claims** 05/25/2009
Trustee **Last Date to file (Govt)**

<i>Creditor</i> (12417650)	Claim No 194	<i>Status</i>
Key Equipment Finance Inc	<i>Original Filed</i>	<i>Filed by</i> CR
c/o Porter, Wright, Morris &	<i>Date</i> 05/20/2009	<i>Entered by</i>
Arthur LLP	<i>Original Entered</i>	<i>Modified</i>
41 South High Street	<i>Date</i> 05/20/2009	
Columbus, OH 43215	<i>Last Amendment</i>	
Attn James P Botti	<i>Filed</i> 02/09/2010	
Esq	<i>Last Amendment</i>	
	<i>Entered</i> 02/09/2010	

Unsecured claimed \$5294930 13

Total claimed \$5294930 13

History

Details 194-1 05/20/2009 Claim #194 filed by Key Equipment Finance Inc total amount claimed \$5109058 05 (Botti, James)

Details 194-2 02/09/2010 Amended Claim #194 filed by Key Equipment Finance Inc , total amount claimed \$5294930 13 (Botti, James)

Description

Remarks

Claims Register Summary

Case Name Triad Resources, Inc

Case Number 2 08-bk-62733

Chapter 11

Date Filed 12/31/2008

Total Number Of Claims 1

	Total Amount Claimed	Total Amount Allowed
Unsecured	\$5294930 13	
Secured		
Priority		
Unknown		
Administrative		
Total	\$5294930 13	\$0 00