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| **GATS Security Instrument** | |
| **US TRUST BRANCH** | |
| **relating to the Beneficial Interest in a** | |
| **GATS Trust** | |
|  | |
| **(TRANSITIONAL FORM)** | |
|  | |
|  | |
| **Trust Branch:** | United States (XX) |
| **Trust UIN:** | [####][[1]](#footnote-1) |
| **Name of Trust:** | GATS Trust [*####*] |
| **Date:** | [dd-mmm-yyyy] |
|  |  |

**\* \* \***

**THIS GATS SECURITY INSTRUMENT** is dated as of [*date*] (this **Instrument**)

**BETWEEN**

1. the BENEFICIARY;
2. the SECURED PARTY from time to time, acting in the capacity as indicated in Schedule 2 (*Parties and Notice Details*); and
3. the TRUSTEE.

**IT IS AGREED AS FOLLOWS**:

1. Definitions

Unless otherwise defined in this Instrument, capitalized terms used in this Instrument have the meaning given to them in the Master Terms. In this Instrument, unless the contrary intention appears:

1. **Beneficiary** means the person identified as the ‘Beneficiary’ in Schedule 2 (*Parties and Notice Details*).
2. **Collateral** means, collectively, all of the following property now owned or at any time hereafter acquired by the Beneficiary or in which the Beneficiary now has or at any time in the future may acquire any right, title or interest:
   1. the Pledged Beneficial Interest;
   2. the Beneficiary’s Rights;
   3. all interest, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any of or all the Pledged Beneficial Interest;
   4. all certificates or other instruments or documents representing any of the foregoing; and
   5. all proceeds and products of any of the foregoing and any property of any character whatsoever into which any of the foregoing may be converted.
3. **GATS Trust** means the trust created pursuant to the GATS Trust Instrument or the Previous Trust Instrument (as defined in the GATS Trust Instrument), as applicable, with the name and UIN as identified in Schedule 1 (*Description of GATS Trust*).
4. **GATS Trust Instrument** means the GATS Trust Instrument relating to the GATS Trust between the Beneficiary and the Trustee, as trustee and as the Trust Company.
5. **Master Terms** means the Security Instrument Master Terms attached as Appendix A to this Instrument.
6. **Original Secured Party** means the person identified as the Original Secured Party in Schedule 2 (*Parties and Notice Details*).
7. **Pledged Beneficial Interest** means all of the Beneficiary’s right, title and interest in and to the Trust Estate from time to time.
8. **Principal Borrower Party** means the person identified as the ‘Principal Borrower Party’ in Table 1 of Schedule 3 (*Specific Information*) in the description of the Principal Finance Document.
9. **Principal Finance Document** means the finance document described in Table 1 of Schedule 3 (*Specific Information*) as the ‘Principal Finance Document’.
10. **Principal Security Agreement** means the security agreement, if any, described in Table 2 of Schedule 3 (*Specific Information*) as the ‘Principal Security Agreement’.
11. **Priority of Payments Provisions** means the priority of payments provisions of the Principal Finance Document or the Principal Security Agreement described in Table 3 of Schedule 3 (*Specific Information*) as the ‘Priority of Payment Provisions’.
12. **Secured Obligations** means:
    1. the ‘Secured Obligations’ or such other term having equivalent meaning as defined in the Principal Security Agreement (whether defined by cross reference to another document or otherwise); or
    2. if such term is not so defined, all obligations that are expressed to be secured by the Security Interest granted pursuant to the Principal Security Agreement; or
    3. if there is no Principal Security Agreement, all Liabilities of each Borrower Party to each Finance Party under the Finance Documents to which such Borrower Party is from time to time a party.
13. **Secured Party** means the Original Secured Party for so long as such person has not ceased to be the Secured Party in accordance with Section 7.3 of the Master Terms, or the person from time to time who has become the Secured Party after the date of this Instrument pursuant to and in accordance with Section 7.3 of the Master Terms, in each case, acting in the capacity as indicated in Schedule 2 (*Parties and Notice Details*) or the instrument pursuant to which such person became the ‘Secured Party’.
14. **Trustee** means the person identified as the ‘Trustee’ in Schedule 2 (*Parties and Notice Details*).
15. **UIN** means the unique identification number assigned to the GATS Trust by the Global Aircraft Trading System.
16. Incorporation of MASTER tERMS

The Master Terms are incorporated into and apply to this Instrument in their entirety and without amendment or modification.

1. Grant of Security interest; COvenant to Pay
   1. Grant of Security Interest

As continuing security for the payment, performance and discharge in full of all Secured Obligations, the Beneficiary grants and agrees to grant a Security Interest in all its rights, title and interest in and to the Collateral in favor of the Secured Party, for its benefit and, if acting as agent or trustee on behalf of certain other secured parties, for the benefit of certain other secured parties defined or described in the Finance Documents.

* 1. Covenant to Pay

Unless this Section 3.2 is expressly disapplied in its entirety by any provision in the Principal Security Agreement, the Beneficiary covenants in favor of the Secured Party that it will pay and discharge the Secured Obligations when they are due to be paid or discharged.

1. Trustee Consent and Agreement

The Trustee consents and agrees to the grant of the Security Interest in the Beneficial Interest by this Instrument, and to the terms of this Instrument (including the Master Terms).

1. [Intentionally Omitted]
2. Miscellaneous
   1. Transition onto GATS Platform

Each of the parties to this Instrument intends to amend, restate and re-execute this Instrument in electronic or digital form on the GATS Platform and register it on the GATS e-Ledger after it becomes possible to do so.

* 1. GATS Security Instrument

For so long as the Security Interest granted hereunder has not been released and discharged, this Instrument is the ‘GATS Security Instrument’ for the purposes of the GATS Trust Instrument.

* 1. Counterparts

This Instrument may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original, and all of which counterparts, taken together, shall constitute one and the same instrument.

* 1. Governing Law

THIS INSTRUMENT SHALL IN ALL RESPECTS 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 REGARD TO CONFLICTS OF LAWS PRINCIPLES THAT WOULD RESULT IN THE APPLICATION OF THE LAW OF ANOTHER JURISDICTION. THIS INSTRUMENT IS BEING DELIVERED IN THE STATE OF NEW YORK.

* 1. Waiver of Jury Trial

EACH PARTY TO THIS INSTRUMENT WAIVES, TO THE EXTENT PERMITTED BY APPLICABLE LAW, TRIAL BY JURY IN ANY LITIGATION IN ANY COURT WITH RESPECT TO, IN CONNECTION WITH, OR ARISING OUT OF THIS INSTRUMENT OR THE VALIDITY, PROTECTION, INTERPRETATION, COLLECTION OR ENFORCEMENT OF THIS INSTRUMENT. EACH PARTY TO THIS INSTRUMENT AGREES THAT THIS SECTION 6.5 IS A SPECIFIC AND MATERIAL ASPECT OF THIS INSTRUMENT AND ACKNOWLEDGES THAT THE OTHER PARTIES WOULD NOT HAVE ENTERED INTO THIS INSTRUMENT AND CONSUMMATED THE TRANSACTIONS CONTEMPLATED BY THIS INSTRUMENT IF THIS SECTION 6.5 WERE NOT PART OF THIS INSTRUMENT.

\* \* \*

**IN WITNESS WHEREOF**, this Instrument been duly executed by the parties hereto on the day and year first above written.

|  |  |  |
| --- | --- | --- |
|  | [BENEFICIARY], as Beneficiary | |
|  |  |  |
|  | By: | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
|  | Name: | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
|  | Title: | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
|  |  | |
|  | [ORIGINAL SECURED PARTY], as Secured Party | |
|  |  |  |
|  | By: | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
|  | Name: | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
|  | Title: | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
|  |  | |
|  | [TRUSTEE], as Trustee | |
|  |  |  |
|  | By: | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
|  | Name: | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
|  | Title: | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

1. Description of GATS Trust

|  |  |  |  |
| --- | --- | --- | --- |
| **Trust Branch** | **UIN** | **Name** | **Date of Establishment** |
| United States ([UT][DE])[[[2]](#footnote-2)] | [####] | GATS Trust [*####*] | [*dd-mmm-yyyy*] |

1. Parties and Notice Details

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Beneficiary** |  | |
|  | Name: | [*to be populated manually*] | |
|  | Jurisdiction of formation, incorporation or organization: | [*to be populated manually*] | |
|  | Entity type: | [*to be populated manually*] | |
|  | Address: | [*to be populated manually*] | |
|  | Email: | [*to be populated manually*] | |
|  | Location (within the meaning of Section 9-307 of the UCC) | [*to be populated manually*] | |
|  | **Original Secured Party** |  | |
|  | Name: | [*to be populated manually*] | |
|  | Jurisdiction of formation, incorporation or organization: | [*to be populated manually*] | |
|  | Entity type: | [*to be populated manually*] | |
|  | Address: | [*to be populated manually*] | |
|  | Email: | [*to be populated manually*] | |
|  | Capacity |  | If checked, the Secured Party is acting as agent or trustee on behalf of certain other secured parties |
|  | If checked, the Secured Party is acting in its individual capacity for its own account |
|  | **Trustee** |  | |
|  | Name: | [*to be populated manually*] | |
|  | Jurisdiction of formation, incorporation or organization: | [*to be populated manually*] | |
|  | Entity type: | [*to be populated manually*] | |
|  | Address: | [*to be populated manually*] | |
|  | Email: | [*to be populated manually*] | |

1. Specific Information

**Table 1**

|  |  |
| --- | --- |
| **Principal Finance Document** | |
| **Document Name** | [*to be populated manually*] |
| **Date** | [*to be populated manually*] |
| **Principal Borrower Party [\*]** | [*to be populated manually*] |
| **Parties** | [*to be populated manually*] |

[\*] While it would be unusual, the Principal Borrower Party need not necessarily be a party to the Principal Finance Document.

**Table 2**

|  |  |
| --- | --- |
| **Principal Security Agreement** | |
| **Document Name** | [*to be populated manually*] |
| **Date** | [*to be populated manually*] |
| **Parties** | [*to be populated manually*] |

**Table 3**

|  |  |
| --- | --- |
| **Priority of Payment Provisions** | |
| **Section Reference** of Principal Finance Document or Principal Security Agreement | [*to be populated manually*] |

**Table 4**

|  |  |
| --- | --- |
| **Limited Purpose Covenants** | |
|  | If checked, the limited purpose covenants in section 4.4 of the Master Terms APPLY |
|  | If checked, the limited purpose covenants in section 4.4 of the Master Terms DO NOT APPLY |

**APPENDIX A  
Master Terms**

[*attach Master Terms*]

1. GATS Trust numbers will be pre-assigned during the transitional period. Please go to <http://awg.aero/projects/gats/> for further details. [↑](#footnote-ref-1)
2. NOTE: ‘UT’ means Utah common law trust, and ‘DE’ means Delaware common law trust. [↑](#footnote-ref-2)