# **PREFERRED STOCK DESIGNATION AGREEMENT**

This Agreement is entered into on October 1, 1999, by and between:

ISSUER: WILLIS LEASE FINANCE CORPORATION ("Company") A corporation organized under the laws of Delaware

1. STOCK DESIGNATION The Company hereby designates 200,000 shares of Preferred Stock as "Series A Junior Participating Preferred Stock"
2. STOCK CHARACTERISTICS

* Par Value: $0.01 per share
* Total Authorized Shares: 200,000
* Series: Series A Junior Participating Preferred Stock

1. DIVIDEND RIGHTS (a) Quarterly Dividend Entitlements:

* Payable on March 1, June 1, September 1, and December 1
* Dividend Amount: The greater of: i. $0.25 per share ($1.00 per annum) ii. 100 times the aggregate per share amount of all cash and non-cash dividends on Common Stock

(b) Dividend Accrual:

* Dividends begin accruing from the Quarterly Dividend Payment Date
* Unpaid dividends accumulate without interest
* Partial dividend payments allocated pro-rata

1. VOTING RIGHTS (a) Voting Power:

* Each share entitles holder to 100 votes on all matters submitted to stockholder vote
* Votes together with Common Stock as one class
* No special voting rights beyond those specified

1. RESTRICTIONS ON CORPORATE ACTIONS When quarterly dividends are in arrears, the Company is restricted from:

* Declaring dividends on junior stock
* Redeeming or purchasing junior or parity stock
* Taking actions that would disadvantage Preferred Stockholders

1. LIQUIDATION PREFERENCES In case of liquidation, dissolution, or winding up:

* Preferred stockholders receive the greater of: i. $100.00 per share plus accrued unpaid dividends ii. 100 times the aggregate distribution per Common Stock share

1. MERGER AND CONSOLIDATION In any corporate merger or consolidation:

* Series A Preferred Stock will be exchanged for an amount equal to 100 times the aggregate amount received by Common Stock

1. ADDITIONAL TERMS (a) No Redemption: Shares are not redeemable (b) Ranking: Junior to all other series of Preferred Stock (c) Amendment: Requires approval of two-thirds of outstanding Series A Preferred Stock shares
2. CORPORATE ACTIONS

* No amendments to materially alter Preferred Stock rights without stockholder approval
* Shares may be retired and reissued as part of a new series

1. GOVERNING LAW This Agreement shall be governed by the laws of the State of Delaware

SIGNATURES

WILLIS LEASE FINANCE CORPORATION

By: /s/ Charles F. Willis, IV Name: Charles F. Willis, IV Title: President and Chief Executive Officer

Attest:

By: /s/ Rae A. Capps, Esq. Name: Rae A. Capps, Esq. Title: Senior Vice President, General Counsel and Corporate Secretary

Date: October 1, 1999

ACKNOWLEDGMENT By signing above, the company acknowledges that it has read, understood, and agrees to be bound by all terms and conditions of this Preferred Stock Designation Agreement.