

## CONSENT SOLICITATION STATEMENT

# Airplanes Pass Through Trust

Solicitation of Consents Relating to its Pass-Through Certificates Each Representing a Fractional Undivided Beneficial Interest in Corresponding Notes Issued and Cross-Guaranteed by

## Airplanes Limited and Airplanes U.S. Trust

Airplanes Limited and Airplanes U.S. Trust (together with their respective subsidiaries, **“Airplanes Group”**) through this Consent Solicitation Statement (as it may be supplemented and amended from time to time, the **“Consent Solicitation Statement”**) hereby solicit (such solicitation is hereinafter referred to as the **“Consent Solicitation”**) consents (each, a **“Consent”** and, collectively, **“Consents”**) of the holders of the pass-through certificates (collectively, the **“Certificates”**) to various amendments (the **“Proposed Amendments”**) to the indenture dated as of March 28, 1996 among Airplanes Limited, as issuer, Deutsche Bank Trust Company Americas (formerly known as Bankers Trust Company), as trustee (the **“Indenture Trustee”**) and Airplanes U.S. Trust, as guarantor (as amended or supplemented from time to time, the **“Airplanes Limited Indenture”**) and to the indenture dated as of March 28, 1996 among Airplanes U.S. Trust, as issuer, the Indenture Trustee and Airplanes Limited, as guarantor (as amended or supplemented from time to time, the **“Airplanes U.S. Trust Indenture”** and together with the Airplanes Limited Indenture, the **“Indentures”**). The Requisite Consents (as defined below) are required to approve the Proposed Amendments. If approved, the Proposed Amendments (which are recommended by the Boards (as defined below)) would, as described more fully below, amend the Indentures to (1) remove the requirement for rating agency confirmations or approvals in relation to all actions for which they are currently required (including, in particular, reducing liquidity reserves and changing concentration limits) and replace such requirement with a requirement to provide prior written notification of any such action to the rating agencies and (2) reduce the minimum amount of hull insurance and political risk insurance (**“PRI”**) that Airplanes Group is required to carry on each Aircraft. All such proposed actions would continue to require the approval of the Boards (as defined below).

Capitalized terms not otherwise defined herein have the meaning assigned to them in the Indentures.

Each class or subclass of the Certificates was issued by a separate pass-through trust created under the Airplanes Pass-Through Trust Agreement (the agreement, as amended or supplemented from time to time, the **“Pass-Through Trust Agreement”**) dated as of March 28, 1996 among Airplanes Limited, Airplanes U.S. Trust and Deutsche Bank Trust Company Americas (formerly known as Bankers Trust Company), as trustee (the **“Pass-Through Trustee”**) (each such trust, an **“Airplanes Pass-Through Trust”**) and each Certificate represents a fractional undivided beneficial interest in two corresponding classes or subclasses of notes (together with the Class E notes, the **“Notes”**) issued and cross-guaranteed by Airplanes Limited and Airplanes U.S. Trust pursuant to the Indentures. The Subclass A-8 and A-9 Notes and Class B, C and D Notes are held by the Pass-Through Trustee, as trustee of each Airplanes Pass-Through Trust.

The Proposed Amendments require the consents of the holders of at least a majority of the Outstanding Principal Balance of the Notes, voting as a single class (the **“Requisite Consents”**).

As of October 15, 2010, the most recent Payment Date, the Outstanding Principal Balance of the Notes was \$2,324,857,283. The Subclass A-8 and A-9 Notes and the Class B, C and D Notes are held by the Pass-Through Trustee who will give consents for these Notes in accordance with the Consents it receives from the Holders of record (the “**Holders**”) by 12:00 p.m. New York City time on November 23, 2010 of the corresponding Subclass A-8 and A-9 Certificates and Class B, C and D Certificates. No fees will be paid by Airplanes Group to the Holders or to the holders of the Class E Notes in connection with this Consent Solicitation.

The aggregate principal amount of each class and subclass of Certificates, as well as the Class E Notes, outstanding under the Pass-Through Trust Agreement and the Indentures as of October 15, 2010 and the related CUSIP numbers and ISIN numbers are set forth below:

CUSIP No.	ISIN No.	Description	Original Principal Amount	Aggregate Outstanding Principal Balance (on October 15, 2010)	% of Aggregate Outstanding Principal Balance
009451AL9	US009451AL91	Subclass A-8 Pass-Through Certificates	\$700,000,000	\$11,873,886	0.51%
009451AP0	US009451AP06/ USU0203DAA10	Subclass A-9 Pass-Through Certificates	\$750,000,000	\$750,000,000	32.26%
009451AM7	US009451AM74	Class B Pass-Through Certificates	\$337,000,000	\$226,844,897	9.76%
009451AG0	US009451AG07	Class C Pass-Through Certificates	\$375,000,000	\$349,837,500	15.05%
009451AH8	US009451AH89	Class D Pass-Through Certificates	\$400,000,000	\$395,080,000	16.99%
-	-	Class E Notes	\$591,221,000	\$591,221,000	25.43%
<b>TOTAL:</b>			\$3,153,221,000	\$2,324,857,283	100.00%

**THE CONSENTS MUST BE GIVEN BY HOLDERS OF THE CERTIFICATES SO AS TO BE RECEIVED BY GBR INFORMATION SERVICES, INC., AS TABULATION AGENT (THE “TABULATION AGENT”), AS SOON AS POSSIBLE BUT NOT LATER THAN 12:00 P.M. (NEW YORK CITY TIME) ON NOVEMBER 23, 2010 UNLESS AIRPLANES GROUP, IN ITS SOLE DISCRETION BY SEPARATE NOTICE, EXTENDS THE PERIOD DURING WHICH THE CONSENT SOLICITATION IS OPEN (AS SO EXTENDED, IF AT ALL, THE “EXPIRATION DATE”). A CONSENT ONCE GIVEN MAY NOT BE REVOKED.**

For further information relating to the Consent Solicitation, please call Jefferies & Company, Inc. (“**Jefferies & Company**”), as solicitation agent (the “**Solicitation Agent**”), at the telephone number set forth on the back cover page of this Consent Solicitation Statement. To obtain copies of this Consent Solicitation Statement, please contact GBR Information Services, Inc., as the information agent (the “**Information Agent**”), at the telephone number set forth on the back cover page of this Consent Solicitation Statement.

THIS CONSENT SOLICITATION STATEMENT CONTAINS IMPORTANT INFORMATION THAT IS OF INTEREST TO THE BENEFICIAL OWNERS OF THE CERTIFICATES. IF APPLICABLE, ALL DEPOSITORIES, CUSTODIANS, AND OTHER INTERMEDIARIES RECEIVING THIS CONSENT SOLICITATION STATEMENT ARE REQUESTED TO EXPEDITE RE-TRANSMITTAL TO SUCH BENEFICIAL OWNERS IN A TIMELY MANNER.

The Solicitation Agent for the Consent Solicitation is:

*JEFFERIES & COMPANY*

November 2, 2010

Only the Holders (and holders of the Class E Notes) who owned the Certificates or Class E Notes as of 5:00 p.m., New York City time on November 1, 2010 (the “**Consent Record Date**”) are eligible to consent to the Proposed Amendments. The Depository Trust Company or its nominee (“**DTC**”) is expected to grant an omnibus proxy authorizing each DTC participant set forth in the position listing of DTC as of the Consent Record Date (such DTC participants, collectively, the “**DTC Holders**”) to execute the accompanying Consent Form (the “**Consent Form**”) in the name of DTC or its nominee. Certificates held through Euroclear S.A.N.V., as operator of the Euroclear System (“**Euroclear**”), and Clearstream Banking, société anonyme (“**Clearstream**”), are held by their respective DTC Holders. Therefore, DTC Holders, rather than DTC or its nominee, will be entitled to consent, and the term “Holders” used in this Consent Solicitation Statement includes DTC Holders.

Persons who currently own the Certificates but did not own such Certificates as of the Consent Record Date will be entitled to consent only if they obtain a proxy from the relevant Holder or predecessor beneficial holder in accordance with the instructions set forth in this Consent Solicitation Statement.

**A Consent will not be valid unless a duly executed Consent Form (and proxy, if required) is delivered to the Tabulation Agent at the address on the back cover page of this Consent Solicitation Statement not later than 12:00 p.m. New York City time, on the Expiration Date, in accordance with the instructions in this Consent Solicitation Statement and the accompanying Consent Form. Delivery of Consent Forms to DTC will not constitute delivery to the Tabulation Agent.**

**To instruct DTC Holders to deliver Consents, beneficial holders of the Certificates held through such DTC Holders should complete and sign the Instruction Form for Beneficial Owners accompanying this Consent Solicitation Statement (the “Instruction Form for Beneficial Owners”) and deliver it to such DTC Holders. It is recommended that Holders who hold the Certificates through Euroclear and Clearstream submit their Consent Forms at least two business days prior to the Expiration Date so that instructions may be received in a timely manner.**

**Only the Consent Form (and proxy, if the Certificates are owned in the name of a different Holder) should be sent to the Tabulation Agent at the address on the back cover page of this Consent Solicitation Statement.**

The information contained in this Consent Solicitation Statement is based upon information provided solely by Airplanes Group. None of the Pass-Through Trustee, the Indenture Trustee, the Servicer, the Administrative Agent, the Tabulation Agent, the Information Agent or the Solicitation Agent has independently verified or makes any representations or warranty, express or implied, or assumes any responsibility, for the accuracy or adequacy of the information provided by Airplanes Group contained herein, nor have they made any recommendations as to whether Holders should give the Consents requested herein. It is expressly understood that the Pass-Through Trustee will conclusively rely on the results of the Consent Solicitation as reported by the Tabulation Agent and neither the Pass-Through Trustee nor the Indenture Trustee will have any liability in connection therewith.

No person has been authorized to give any information or make any representations in connection with the Consent Solicitation other than those contained or incorporated by reference in this Consent Solicitation Statement or in the accompanying Consent Form and, if given or made, such information or representations must not be relied upon as having been authorized by Airplanes Group, the Indenture Trustee, the Tabulation Agent, the Pass-Through Trustee, the Information Agent, the Servicer, the Administrative Agent, the Solicitation Agent or any other person. The statements made in this Consent Solicitation Statement are made as of its date, and the delivery of this Consent Solicitation Statement will not under any circumstances create any implication that the information contained in this Consent Solicitation Statement is correct as of

any time following the date hereof or that there has been no change in the affairs of Airplanes Group since the date hereof.

This Consent Solicitation Statement and the accompanying materials are not and should not be construed as legal, business, investment or tax advice. Each recipient of this Consent Solicitation Statement should consult its own attorney or business advisor, investment advisor or tax advisor as to legal, business, investment, tax and related matters concerning this Consent Solicitation, including as to the merits of exercising its right to give Consent to the Proposed Amendments.

**This Consent Solicitation Statement does not constitute a solicitation of a Consent in any jurisdiction in which, or to or from any person to or from whom, it is unlawful to make such a solicitation. In any jurisdiction in which the securities laws require a consent solicitation to be made by one or more brokers or dealers, the Consent Solicitation will be deemed to be made on behalf of Airplanes Group by the Solicitation Agent or one or more registered brokers or dealers that are licensed under the laws of such jurisdiction. Persons who receive this Consent Solicitation Statement must inform themselves about, and observe, any applicable restrictions on its distribution and solicitation of Consents.**

**This Consent Solicitation Statement is solely for the purpose of the Consent Solicitation. Neither the Consent Solicitation nor the delivery of this Consent Solicitation Statement constitutes an offering of any security of Airplanes Group or any purchase or sale of any securities, including, without limitation, the Certificates.**

## SUMMARY

*The following summary is not intended to be complete and is qualified in its entirety by reference to (i) the more detailed information included in this Consent Solicitation Statement, (ii) the terms and conditions of the Indentures as currently in effect and (iii) the relevant provisions of the Indentures as proposed to be amended by the Proposed Amendments, which we set forth below under the heading “Proposed Amendments to the Indentures”. Holders of the Certificates are urged to read carefully and in its entirety this Consent Solicitation Statement, including the aforementioned description of the Proposed Amendments, before determining whether to grant a Consent. In this document, we use “we”, “us” and “our” to refer to Airplanes Group.*

*For further information regarding Airplanes Group, please see our annual report for the year ended March 31, 2010 (the “Annual Report”) available at <http://www.airplanes-group.com>. This Consent Solicitation Statement contains forward-looking statements that involve risks and uncertainties. In most cases, you can identify these forward-looking statements by terms such as “may,” “should,” “expect,” “plan,” “anticipate,” “believe,” “estimate,” “predict,” “potential,” “continue” or similar terms that relate to the future or express uncertainty. Actual outcomes could differ materially from those anticipated in these forward-looking statements. All forward-looking statements included in this Consent Solicitation Statement are based on information available at the time the statements are made. We are under no obligation to (and expressly disclaim any such obligation to) update or alter our forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.*

*We hereby solicit Consents, upon the terms and subject to the conditions set forth in this Consent Solicitation Statement to the Proposed Amendments. The Consent Solicitation is being made to all registered Holders as shown in the records maintained by the Pass-Through Trustee on the Consent Record Date, and their duly appointed proxies, including DTC, Euroclear and Clearstream or their respective nominees for the account of their participants. Consequently, only DTC Holders (the banks, brokers, custodians, nominees and other financial institutions who hold electronic book-entry interests in the Certificates (“**Book-Entry Interests**”)) as of the Consent Record Date are eligible to give Consents by completing the accompanying Consent Form and delivering such form to the Tabulation Agent as provided on the Consent Form and in this Consent Solicitation Statement. An ultimate beneficial holder of the Certificates as of the Consent Record Date must instruct the relevant Holder through which it holds its beneficial interest to give a Consent by completing the accompanying Instruction Form for Beneficial Owners or other form provided by the relevant Holder and delivering such form in accordance with the rules and practices established by DTC, Euroclear or Clearstream and the relevant Holder, as applicable (the “**Applicable Procedures**”).*

**Proposed Amendments for which  
Consents are Sought.....**

The Holders are being asked to consent to amendments to the Indentures which would:

(i) remove the requirement that we obtain Rating Agency Confirmation or “**RAC**” (a confirmation from each Rating Agency, currently Fitch, Inc. (“**Fitch**”), Moody’s Investors Service, Inc. (“**Moody’s**”) and Standard & Poor’s Financial Services LLC (“**S&P**”), that a specified action or event will not result in a downgrade or withdrawal of such Rating Agency’s then current rating of a Class or Subclass of Certificates) or, in some cases, approval from each Rating Agency prior to taking actions for which such RAC or approval is currently required, including, amongst other provisions: (a) a reduction in our required liquidity reserve amount, (b) changes to the Concentration Limits and the list of countries into which we are prohibited from leasing Aircraft, (c) creating certain Encumbrances over Leases, (d) changes to our hedging policy, (e) making certain investments, (f) amending our charter documents, (g) consummating a merger, consolidation or transfer of all or substantially all of our assets and (h) entering into a Swap Agreement with a counterparty not meeting the specified criteria for a Swap Provider; and

(ii) reduce the minimum amount of hull insurance and PRI coverage that we are required to carry on each Aircraft to an amount that is at least equal to the most recent appraised Base Value of such Aircraft.

The Proposed Amendments would replace the requirement for RAC or approval from each Rating Agency with a requirement for prior written notification to each Rating Agency of the proposed action. All such proposed actions would continue to require approval of the Boards (as defined below).

For the reasons described in this Consent Solicitation Statement, the board of Directors of Airplanes Limited and the board of Controlling Trustees of Airplanes U.S. Trust (each, the “**Board**” and together, the “**Boards**”) having consulted their advisors, recommend that the Holders and the holders of the Class E Notes consent to the Proposed Amendments.

**Purpose of the Proposed  
Amendments .....**

The overall purpose of the Proposed Amendments (as described more fully below) is to (i) give us increased operational flexibility and efficiency in conducting our on-going aircraft leasing and sale activities so that we can maximize the value of, and

cash flows from, the remaining assets in our portfolio, taking into account ever-changing market conditions and the age of our fleet and (ii) reduce unnecessary costs and expenses.

**Rating Agencies** ..... While we believe that the Proposed Amendments are in the best interests of Airplanes Group and the Holders and we do not believe that the implementation of the Proposed Amendments is likely to cause a downgrade of the ratings of any of the Certificates, there can be no assurance that the Rating Agencies will not seek to downgrade one or more Classes or Subclasses of the Certificates or withdraw such ratings altogether as a result of the implementation of any of the Proposed Amendments.

See “Ratings of the Certificates” below for the current ratings of the Certificates.

**Consent Fee**..... None.

**Consent Record Date**..... 5:00 p.m., New York City time, on November 1, 2010.

**Euroclear/Clearstream Cut-off Date**..... Certificates held through Euroclear and Clearstream are held through their respective DTC Holders. It is recommended that persons who hold the Certificates through Euroclear and Clearstream submit their instructions regarding the Consent Solicitation at least two Business Days (where “**Business Day**” shall mean any day other than a Saturday, Sunday or day on which banks in New York City are authorized or required by law to close) prior to the Expiration Date so that instructions may be received in a timely manner.

**Expiration Date** ..... 12:00 p.m., New York City time, on November 23, 2010, unless Airplanes Group, in its sole discretion by separate notice, extends the period during which the Consent Solicitation is open to another date. The Consents must be given by Holders so as to be received by the Tabulation Agent as soon as possible but not later than 12:00 p.m., New York City time, on the Expiration Date.

**Termination of the Consent Solicitation** ..... Airplanes Group expressly reserves the right in its sole discretion, subject to applicable law, to terminate the Consent Solicitation at any time prior to the Expiration Date, for any reason. If Airplanes Group terminates the Consent Solicitation, any Consents received shall be void and the Proposed Amendments will not be adopted.

**Requisite Consents** ..... The Requisite Consents for the Proposed Amendments are the Consents of the Holders of at least a majority of the Outstanding Principal



Balance of the Notes, voting as a single class. As of October 15, 2010, the Outstanding Principal Balance of the Notes was \$2,324,857,283. The Subclass A-8 and A-9 Notes and Class B, C and D Notes are held by the Pass-Through Trustee who will give consents for these Notes in accordance with the Consents it receives from the Holders of the corresponding Subclass A-8 and A-9 Certificates and Class B, C and D Certificates.

**Consequences to Non-Consenting Holders** .....

If the Proposed Amendments are adopted, each Holder of the Certificates and each Class E Noteholder and all subsequent holders of the Certificates and Class E Notes will be bound by the Proposed Amendments whether or not such holder has delivered a Consent.

**Consent Procedures**.....

Consent Forms and any required proxies may be sent by registered or certified mail, hand delivery, overnight courier or facsimile (confirmed by telephone), and must be delivered to the Tabulation Agent at the address or fax number (and telephone number for confirmation) set forth on the back cover page of this Consent Solicitation Statement by the Expiration Date. Delivery of Consent Forms to DTC will not constitute delivery to the Tabulation Agent. **Only duly executed Consent Forms and any required proxies received by the Tabulation Agent not later than 12:00 p.m., New York City time, on the Expiration Date will count towards determining whether the Requisite Consents have been received.**

We anticipate that DTC (or its nominee), as a Holder of the outstanding Certificates, will execute an omnibus proxy authorizing each Holder shown on its records as having an ownership interest in the Certificates on the Consent Record Date through DTC to vote for the Proposed Amendments with respect to the principal amount of the Certificates shown as held by such Holder on the books of DTC as of 5:00 p.m., New York City time, on the Consent Record Date. Therefore, DTC Holders, rather than DTC or its nominee, will be entitled to deliver Consents on behalf of those beneficial holders for which they hold the Certificates. Certificates held through Euroclear and Clearstream are held through their respective DTC Holders. It is recommended that persons who hold the Certificates through Euroclear and Clearstream submit their instructions regarding the Consent Solicitation at least two Business Days prior to the Expiration Date so that instructions may be received in a timely manner.

A beneficial holder who possesses an interest in the

Certificates through a broker, dealer or other nominee Holder must instruct the Holder of such Certificates to deliver a Consent on his or her behalf by having the Holder complete, sign and date a Consent Form in accordance with the instructions contained herein and therein and delivering such Consent Form to the Tabulation Agent on such beneficial holder's behalf. An Instruction Form for Beneficial Owners accompanies this Consent Solicitation Statement for this purpose. Any beneficial holder who possesses an interest in the Certificates through a broker, dealer or other nominee Holder should complete, sign and date such Instruction Form for Beneficial Owners in accordance with the instructions contained in such Instruction Form for Beneficial Owners or as otherwise required by such broker, dealer or other nominee Holder.

<b>Delivery of Consents</b> .....	The Consent Forms and any required proxies shall be delivered, by registered or certified mail, hand delivery, overnight courier or facsimile (confirmed by telephone), to the Tabulation Agent at the address set forth on the back cover page of this Consent Solicitation Statement.
<b>Revocation of Consents</b> .....	A Consent once given may not be revoked.
<b>Indenture Trustee</b> .....	Deutsche Bank Trust Company Americas (formerly known as Bankers Trust Company)
<b>Pass-Through Trustee</b> .....	Deutsche Bank Trust Company Americas (formerly known as Bankers Trust Company)
<b>Administrative Agent</b> .....	AerCap Financial Services (Ireland) Limited
<b>Servicer</b> .....	GE Capital Aviation Services Limited
<b>Solicitation Agent</b> .....	Jefferies & Company, Inc.
<b>Tabulation Agent</b> .....	GBR Information Services, Inc.
<b>Information Agent</b> .....	GBR Information Services, Inc.

## RATINGS OF THE CERTIFICATES

*Ratings as of November 2, 2010*

<b>Description</b>	<b>S&amp;P</b>	<b>Moody's</b>	<b>Fitch</b>
Subclass A-8 Pass-Through Certificates	BB-	Baa3	BB
Subclass A-9 Pass-Through Certificates	CCC	B1	CCC
Class B Pass-Through Certificates	NR*	Ca	C
Class C Pass-Through Certificates	NR*	Ca	C
Class D Pass-Through Certificates	NR*	C	C
Class E Notes	NR^	NR^	NR^

*NR\** = Rating Withdrawn

*NR^* = Not Rated

## THE PROPOSED AMENDMENTS

*The description of the terms of the Indentures and the Proposed Amendments set forth below is only a summary and is qualified in its entirety by reference to (i) the terms and conditions of the Indentures as currently in effect and (ii) the relevant provisions of the Indentures as proposed to be amended by the Proposed Amendments. Holders of Certificates are urged to read carefully and in its entirety this Consent Solicitation Statement, including the description of the Proposed Amendments set forth below, before determining whether to grant a Consent.*

### **Background, Description of the Proposed Amendments and Recommendation**

The overall purpose of the Proposed Amendments (as described more fully below) is to (i) give us increased operational flexibility and efficiency in conducting our on-going aircraft leasing and sale activities so that we can maximize the value of, and cash flows from, the remaining assets in our portfolio, taking into account ever-changing market conditions and the age of our fleet and (ii) reduce unnecessary costs and expenses. To achieve these goals the Proposed Amendments contemplate (i) replacing the requirement for Rating Agency Confirmation or "RAC" (a confirmation from each Rating Agency that a specified action or event will not result in a downgrade or withdrawal of such Rating Agency's then current rating of a Class or Subclass of Certificates) or approval from each Rating Agency for all actions specified in the Indentures as requiring such confirmation or approval, with a requirement for prior written notification to each Rating Agency of the proposed action (while maintaining the requirement for approval by the Boards of any such proposed action); and (ii) reducing the cost of insurance coverage for our Aircraft by lowering the minimum amount of required insurance to a level more consistent with market standards.

### **Background**

The covenants included in the Indentures in 1996 when the Airplanes Group transaction went to market were intended to protect the holders of all Classes of Certificates against risks considered at that time to be relevant. Since 1996, the commercial airline industry has been impacted by two worldwide recessions, the terrorist attacks in the U.S. on September 11, 2001 and in other places around the world since then, wars in Afghanistan and Iraq, sporadic pandemics such as SARS and Avian bird flu and escalating fuel prices. The combination of deterrents to travel and the increased costs to airlines for fuel, insurance and aircraft modifications to meet new security requirements has been devastating to the airline industry as a whole as well as to aircraft values and lease rates specifically. Our static fleet has suffered disproportionately: not only has it aged during this period but almost all of our aircraft types have been superseded with new, technologically improved and more fuel efficient models. The market improvements in 2005 - 2007 did not make a significant difference to our overall performance and we do not expect recent market trends to do so either. Since December 15, 2003, we have been unable to pay any interest on the Class B, C or D Certificates and have not been able to pay minimum principal on the Class A Certificates in full. As we have disclosed in our periodic reports since then, we do not believe that we will make any further payments on the Class B, C or D Certificates and we do not expect to be able to repay in full the Subclass A-9 Certificates.

While we need to protect Holders against unnecessary risk and loss, we also need to be able to access markets where we have the most likelihood of maximizing cash flow. Given the age and composition of our portfolio, this inevitably means that we must look to place our Aircraft where a suitable opportunity presents itself and we cannot do that while maintaining concentration levels which reflect economies and geopolitical conditions existing 14 years ago and which are more appropriate for a young, modern fleet. We therefore need to remove outdated obstacles to placement of our Aircraft even if this may mean disproportionate placement in particular regions or countries or with particular lessees. Under the Proposed Amendments, any change in the current Concentration Limits which results in such disproportionate placement would still require

Board approval, which approval would be based in part on analysis of the overall interests of the Holders, as well as prior written notification to each Rating Agency.

While this Consent Solicitation does not seek to alter the current Concentration Limits set forth in the Indentures or to reduce the amount currently required to be held as the Maintenance Reserve Amount (referred to herein as the “**Reserve Amount**”), it seeks to remove the RAC requirement for these actions. The process for obtaining RACs, even where available, has become cumbersome. In addition, the Rating Agencies recently have generally been unwilling, as a matter of policy, to provide confirmations or approvals for actions of the type required under the Indentures and instead have begun to move to a policy of requiring only notification of such actions. Accordingly, we are looking to remove the RAC and Rating Agency approval process from all aspects of the Indentures so that our Boards may respond quickly and efficiently to changes in economic and market conditions and make decisions that reflect the reality of our fleet composition. As described in more detail below, however, we plan to furnish advance written notice to the Rating Agencies of any proposed action that would formerly have required RAC or approval of the Rating Agencies, and all such actions would still require a decision by the Boards.

We must also look to implement cost savings where we can do this without adversely affecting Holders. Our proposal to reduce the minimum amount of hull insurance and PRI coverage that we are required to carry on each Aircraft is one such cost-saving initiative. We are currently required to maintain hull insurance and PRI for each Aircraft in an amount at least equal to the Note Target Price for such Aircraft (essentially 105% of the aggregate Outstanding Principal Balance of the Subclass A-8 and A-9 Notes and Class B, C and D Notes allocable to such Aircraft on the basis of the most recent annual appraisal of Base Value (referred to in the Indentures as the “**Adjusted Base Value**”) of such Aircraft). This means that we are required to purchase Total Loss Only (“**TLO**” or “**top-up**”) insurance under our fleet policy to cover the gap between the Note Target Price and the hull insurance required under our Leases which is usually an amount (referred to as the “**lease agreed value**”) which more closely correlates to the market value of the Aircraft. As discussed in more detail below, in the case of TLO insurance, and in some instances for PRI coverage we are unable to pass the cost of this additional insurance on to our Lessees. In addition, some insurance markets are withdrawing from providing TLO cover and we were recently advised that our lead insurer on our fleet policy has declined to provide TLO cover where the TLO amount is significantly disproportionate to the market value of the related Aircraft. We cannot be sure going forward if TLO cover will be provided by the insurance markets to ensure that an amount equal to Note Target Price is always protected. While the Indentures provide that we are not required to maintain insurance otherwise required to the extent that such insurance is not generally available in the relevant insurance market, we do not believe it is appropriate, in light of the decline in value of our Aircraft, that the Indentures continue to require that we maintain a level of insurance that is significantly in excess of what is available and standard in the market. We believe that maintaining hull insurance and PRI at least equal to the most recent appraised Base Value of each Aircraft provides a more appropriate level of protection which should be able to be purchased in the insurance market and which still insures the Aircraft for an amount which in all cases is likely to exceed the proceeds that would be realized upon a sale of the Aircraft.

In 2003, following our successful consent solicitation, the Indentures were amended, among other things, to remove the limitation which allowed sales below Note Target Price of not more than \$50,000,000 of Aircraft each year and not more than \$500,000,000 of Aircraft in the aggregate over the term of the Indentures, in each case based on Initial Appraised Value. While this amendment has enabled us to sell Aircraft that we would not otherwise have been able to dispose of, for the reasons above and as described in more detail below, we believe that additional flexibility is required in order for us to maximize cash flow and that the Proposed Amendments will help us achieve that flexibility.

For a more detailed discussion of Airplanes Group’s current financial position, please see our Annual Report.

## **Description of the Proposed Amendments; Rationale for the Proposed Amendments**

### ***1) Removal of Requirement for Rating Agency Confirmations and Rating Agency Approvals - General***

We propose to remove the requirement for RAC in relation to all actions in the Indentures for which it is currently required. We also propose to remove any requirement that we obtain approval of the Rating Agencies for any proposed action. We are not proposing that our Certificates no longer be rated and we do not currently intend to cease paying annual surveillance fees to the Rating Agencies. (We cannot give assurance, however, that the Rating Agencies will not seek to downgrade, one or more Subclasses or Classes of Certificates or withdraw their rating thereon, as a result of this Consent Solicitation.) Instead we propose to replace the requirement for RAC, or Rating Agency approval, with a requirement that we notify the Rating Agencies in writing and in advance of any proposed action which previously would have required RAC or Rating Agency approval. Currently, a failure to so notify the Rating Agencies would mean that the proposed action would not be permitted under the Indentures. Under this proposed modification, once we have notified the Rating Agencies of our intent, we would be free to undertake and complete the proposed action, without any need for RAC or approval from the Rating Agencies, so long as the Boards have resolved to take such action.

The two most relevant actions currently requiring RAC or Rating Agency approval are (i) any reduction in the Reserve Amount and (ii) any change in the Concentration Limits and the list of countries (“**Prohibited Countries**”) into which we are not permitted to lease Aircraft. Certain other actions currently requiring RAC or approval of the Rating Agencies, and which may be relevant to our operations, are described in paragraph (iii) below. Other actions for which our Indentures currently require RAC are described in paragraph (iv) below. Although as a result of our financial condition, it is highly unlikely, if not impossible, for us to undertake any of the actions covered by the Indenture provisions referred to in paragraph (iv), we believe that for consistency, all requirements for RAC or approval of the Rating Agencies, regardless of their current or ongoing relevance, be replaced with a requirement for prior written notification to the Rating Agencies following required approval from the Boards.

#### ***(i) Removal of RAC for Reduction in Reserve Amount***

As noted above, this Consent Solicitation does not seek consent to reduce the Reserve Amount. Instead it seeks to change the process which would need to be followed for any such reduction to take place by removing the requirement for RAC and replacing it with a requirement for prior written notification to the Rating Agencies. As a general matter, the RAC process can be cumbersome and time consuming, with no assurance of a successful outcome, particularly in light of the Rating Agencies’ recent policy change in relation to aircraft securitization vehicles of no longer providing confirmations or approvals of actions and requiring instead that they simply be notified of those actions.

The Reserve Amount was sized at the original 1996 closing to enable us to achieve and maintain the original ratings on the Certificates. Since that time, the Outstanding Principal Balance of the Class A Certificates has declined and our portfolio has significantly reduced in size. With the decline in the Outstanding Principal Balance of the Class A Certificates and the reduction in our portfolio, the Boards may wish to reduce the Reserve Amount if appropriate analysis demonstrates that the Class A Certificates would benefit from a reduction in the Reserve Amount. Nevertheless with the Rating Agencies unwilling to consider analysis in support of a RAC for such a reduction, the Boards remain unable to consider whether a reduction in the Reserve Amount is appropriate unless we obtain consent to this Proposed Amendment.

***(ii) Removal of RAC for Changes to Concentration Limits and Prohibited Countries List***

Section 5.03(a) of each Indenture currently provides that, unless we obtain RAC, we cannot lease or re-lease an Aircraft if entering into such lease or re-lease would cause us to breach the Concentration Limits (relating to lessees, countries and regions) set forth in Exhibit F to the Indentures. The Concentration Limits were originally included in the Indentures to ensure the diversity of lessees, countries and regions necessary to achieve and maintain the original ratings on the Certificates and, as noted above, were devised at a time when economic and political considerations were quite different. The original ratings on the Certificates have long since been lowered or withdrawn and the Concentration Limits could restrict our ability to take advantage of the best available lease rates and, in some cases, may cause us to keep Aircraft we otherwise may have leased, on the ground, depriving Airplanes Group of lease income and increasing our costs for insurance, storage and maintenance. As we sell more Aircraft and our portfolio becomes smaller, the Concentration Limits become even more restrictive. Because the Concentration Limits cannot currently be amended without RAC, we may not be able to respond quickly, if at all, to changes in the markets or to leasing opportunities.

Section 5.03(a) of each Indenture further provides that we cannot lease or re-lease an Aircraft operated or to be operated by a Lessee domiciled in certain jurisdictions specified in Exhibit F to the Indentures as “Prohibited Countries”. Section 5.03(a) provides that the list of Prohibited Countries may only be changed with the approval of the Rating Agencies. Again, these restrictions were written at a time when our ratings objectives were higher and the demand for our Aircraft was significantly greater. The list of Prohibited Countries was devised at a time when the political landscape was quite different from today’s. For example, certain countries on the Prohibited Countries list, such as Libya, are no longer subject to U.S. sanctions or certain other limitations on business activities.

Our contractual inability to change the Concentration Limits and the Prohibited Countries list in an expeditious manner unnecessarily restricts our ability to achieve the best placement of our Aircraft and potentially results in lost lease opportunities. We therefore believe it to be in the best interests of the Holders to allow the Boards to be able to amend the Concentration Limits and the Prohibited Countries list upon prior written notification to the Rating Agencies.

***(iii) Removal of RAC or Rating Agency Approval for Permitted Account Investments, Encumbrances over Leases, Amendment to Hedging Policy, Mergers, Amendment of Charter Documents and Eligible Swap Providers***

The definition of Permitted Account Investments in Section 1.01 of each Indenture, in addition to specifying permitted investments of available cash, contains a “catch-all” provision allowing investment in “any other investments” if RAC is obtained for such investment. While we have no current intention of investing in anything other than the types of investments specified in the other parts of that definition and would seek advice of the Cash Manager prior to doing so, we believe it is consistent with the other Proposed Amendments for us to provide that we may invest in such other types of investments subject to prior written notification to the Rating Agencies.

Section 5.02(b) of each Indenture allows us to create Encumbrances over Leases or rights derived from Leases if, among other things, we have obtained RAC. Our Leases have not traditionally permitted such Encumbrances so that the replacement of the RAC requirement with a requirement for prior written notification to the Rating Agencies is highly unlikely to have any practical effect.

Section 5.02(e)(iv) of each Indenture permits us to enter into interest rate and currency hedging arrangements within limits determined by the Boards from time to time and agreed to by the Rating Agencies. Our hedging policy has consequently been submitted to and agreed by the Rating Agencies. In light of the fact that we are no longer able to find counterparties willing to

enter into interest rate swaps with us due to our financial condition, we currently only purchase interest rate caps. Because of our inability to hedge our interest rate exposure other than through the purchase of interest rate caps, we do not currently anticipate a need to change our hedging policy in the near future and therefore the replacement of the requirement to obtain agreement of the Rating Agencies in respect of any such changes with a requirement for prior written notification to the Rating Agencies is likely to have limited practical effect.

Section 5.02(i) of each Indenture requires us, among other things, to obtain RAC for any merger, consolidation or transfer of all or substantially all of our assets. While we do not currently anticipate any such transaction, it is possible that we may, for example, find a buyer for all or substantially all of our remaining Aircraft assets and we would not want to be precluded from any such strategic opportunity or delayed because of an inability to obtain RAC.

Section 5.02(l) of each Indenture requires us, among other things, to obtain RAC for any amendment, supplement or other modification to our charter documents. At this point, any changes to our charter documents would likely only result from conforming amendments to reflect this Consent Solicitation (for example, we would need to remove from Airplanes Limited's Articles of Association the requirement for Rating Agency approval for a change in our hedging policy). We do not currently anticipate other changes to our charter documents and therefore the replacement of the RAC requirement with a requirement for prior written notification to the Rating Agencies is unlikely to have any practical effect.

Section 9.05(a) of each Indenture provides that if a potential counterparty to a Swap Agreement does not meet the criteria for a Swap Provider specified in such Section, we may nevertheless enter into a Swap Agreement with such counterparty if, among other things, we have received RAC in respect of our entry into the Swap Agreement. As noted above, given our inability to find counterparties willing to enter into interest rate swaps with us, we currently purchase only interest rate caps. Under an interest rate cap, we make only one payment on commencement of the trade. Because our counterparty on an interest rate cap is not dependent on ongoing payments from us, the counterparty is not exposed to our credit and therefore we should be able to find counterparties for our interest rate caps who meet the Indenture criteria for a Swap Provider. Accordingly, the Proposed Amendment to Section 9.05(a) of each Indenture should have limited practical effect.

***(iv) Removal of RAC for other Actions under the Indentures***

We would also propose, for completeness and consistency purposes only, recognizing that it would be highly unlikely, if not impossible, for us to achieve any of the following, that the requirement for RAC in the following Indenture provisions be replaced with a requirement for prior written notification to the Rating Agencies:

Section 3.10(b) which currently requires us to obtain RAC for any action we may decide to take to avoid the effect of (i) any requirement to withhold tax from payments on the Notes or (ii) any tax or imposition that, among other things, would materially increase the cost of making payments on the Notes;

Section 5.02(f) which currently requires us to obtain RAC for any issuance of Refinancing Notes; and

Section 11.02 which currently requires, among other things, that we obtain RAC as a condition to exercising our legal defeasance option or our covenant defeasance option.

***2) Amendments to Insurance Provisions***

The market value of our Aircraft has declined significantly faster than originally projected so that the Outstanding Principal Balance of the Subclass A-8 and A-9 Notes and Class B, C and D



Notes allocable to any Aircraft is now disproportionate to its value. The Note Target Price for each of our Aircraft is on average over \$10 million greater than the most recent annual appraised Base Value for such Aircraft. For some of our older Aircraft, the difference is even greater. For example, the Note Target Price of one of our B737-400 Aircraft which has an Adjusted Base Value of \$9.1 million was \$22.2 million as of October 15, 2010. We believe that the gap between Note Target Price and market value is likely to continue to widen given the sharp decline in the market value of our portfolio relative to the rate at which we are able to pay down the Subclass A-8 and A-9 Notes and Certificates. Accordingly, the requirement in Section 5.03(h) of each Indenture that we maintain hull insurance and PRI for each Aircraft in an amount at least equal to the Note Target Price for such Aircraft results in a level of coverage which bears no reasonable relationship to the value of the Aircraft and makes the purchase of coverage in excess of lease agreed values unnecessarily expensive for us since lessees are unwilling to pay premiums for insurance at levels in excess of market. The annual cost to us of premiums for the additional TLO coverage is currently approximately \$560,000 and this amount would only increase if we were ever to make a claim under the TLO policy. Should any Aircraft exceed the maximum TLO amount per aircraft (currently \$27.5 million) under our policy, a separate policy would need to be placed for that one Aircraft. Obtaining cover at this high level may not even be possible from the insurance market at the time. Even now, some insurance markets are withdrawing from providing TLO cover and we were recently advised that our lead insurer on our fleet policy has declined to provide TLO cover where the TLO amount is significantly disproportionate to the market value of the related Aircraft. While the Indentures provide that we are not required to maintain insurance otherwise required to the extent that such insurance is not generally available in the relevant insurance market, we believe we would nevertheless be required to try to obtain such coverage at potentially significant cost if available. Furthermore, we do not believe it is appropriate, in light of the decline in value of our Aircraft, that the Indentures continue to require that we maintain a level of insurance that is significantly in excess of what is available and standard in the market. The Proposed Amendments would replace the references to Note Target Price as the required minimum level of hull insurance and PRI with a requirement for coverage at least equal to the most recent appraised Base Value of each Aircraft. In determining the most recent appraised Base Value for an Aircraft, we may rely on the appraised Base Values from the most recent annual Appraisals or we may obtain a separate, updated appraisal of Base Value for such Aircraft. This lower and more appropriate level of coverage should enable the requisite insurance to be obtained and significantly reduce the amount of TLO insurance required, thus significantly lowering our costs, while still providing coverage which in all cases is likely to exceed the proceeds that would be realized upon a sale of the Aircraft.

### ***3) Miscellaneous Amendments***

(i) We propose to amend Section 5.02(e)(v)(C) of each Indenture to facilitate dissolution of the holding companies directly owned by Airplanes U.S. Trust or Airplanes Limited, as applicable. As currently drafted, the Indentures do not envisage dissolution of such holding companies. While we have no current intention of dissolving these holding companies, we believe that there should be no artificial constraints on an orderly and ultimate winding up at the appropriate time.

(ii) In addition, we propose to correct a manifest error in the definition of “Board” in Section 1.01 of the Airplanes U.S. Trust Indenture which incorrectly describes the Airplanes U.S. Trust Board members as Directors rather than Trustees and the Airplanes Limited Board members as Trustees rather than Directors.

### ***4) Corresponding Amendments to Related Documents***

If the Proposed Amendments are approved, such amendments will require, in addition to the amendment of various provisions of the Indentures through the execution of the Indenture Supplements, amendments to certain provisions of the other documents relating to the Indentures,

including the Servicing Agreement. In all cases, the amendments to such other documents would reflect the Proposed Amendments and would be fully consistent therewith.

### **Recommendation**

The Board of Controlling Trustees of Airplanes U.S. Trust and the Board of Directors of Airplanes Limited, having consulted their advisors, recommend that the Holders and the holders of the Class E Notes consent to the Proposed Amendments. Holders are, however, urged to read this Consent Solicitation Statement in its entirety (including Annex A attached hereto which sets forth the text of the Proposed Amendments), before executing and submitting their Consents. While we believe that the Proposed Amendments are in the best interests of Airplanes Group and the Holders and we do not believe that the implementation of the Proposed Amendments is likely to cause a downgrade or withdrawal of the ratings of any of the Subclasses or Classes of Certificates, there can be no assurance that the Rating Agencies will not seek to downgrade one or more Classes or Subclasses of the Certificates or withdraw such ratings altogether as a result of the implementation of any of the Proposed Amendments.

## THE CONSENT SOLICITATION

### General

We are soliciting Consents in favor of the Proposed Amendments from Holders of the Certificates as of the Consent Record Date, upon the terms and subject to the conditions set forth in this Consent Solicitation Statement and in the accompanying Consent Form.

The Consent Solicitation will expire at 12:00 p.m., New York City time, on November 23, 2010, unless extended by us. Consents may not be revoked once given.

The Certificates are currently held through DTC, Euroclear and Clearstream (formerly known as Cedel Bank, société anonyme). Global certificates representing the Certificates are registered in the name of DTC (or its nominee) and deposited with Deutsche Bank Trust Company Americas, as custodian for DTC (the “**DTC Custodian**”). Each of DTC, Euroclear and Clearstream have issued Book-Entry Interests to the banks, brokers, custodians, nominees and other financial institutions, as DTC Holders, who hold those Book-Entry Interests on behalf of their customers, the ultimate beneficial holders of interests in the Certificates.

Only the Holders as of 5:00 p.m., New York City time, on November 1, 2010, which is the Consent Record Date, are eligible to give the Consents and instructions set forth below by completing the accompanying Consent Form and delivering such Consent Form to the Tabulation Agent in accordance with the instructions contained in the Consent Form and this Consent Solicitation Statement.

Holders, if they do not hold the Certificates for their own account, will need to obtain instructions from their customers who are the beneficial holders of those Certificates as to whether to give Consents to the Proposed Amendments. A beneficial holder of the Certificates held in the name of a custodian, broker, dealer or other nominee Holder must deliver an Instruction Form for Beneficial Owners to such custodian, broker, dealer or other nominee Holder in the time and manner specified in such Instruction Form for Beneficial Owners or as otherwise required by such custodian, broker, dealer or other nominee Holder if such beneficial holder desires that Consents be given in respect of those Certificates pursuant to this Consent Solicitation Statement. A beneficial holder of the Certificates should complete and sign the Instruction Form for Beneficial Owners accompanying this Consent Solicitation Statement and deliver it to the Holder through which it holds such beneficial interest in the Certificates. In addition, a beneficial holder who currently owns an interest in the Notes, but did not own such interest in the Certificates on the Consent Record Date, must also deliver a proxy (in a form acceptable to the custodian, broker, dealer or other nominee Holder through which it holds its interest) from the beneficial holder who held such Certificates on the Consent Record Date.

**Beneficial Holders desiring to complete their Instruction Form for Beneficial Owners in respect of their interests in the Certificates pursuant to this Consent Solicitation Statement should allow sufficient time for completion of the Applicable Procedures during the normal business hours of DTC, Euroclear or Clearstream or the relevant custodian, broker, dealer or other nominee Holder through which it holds its interest, as applicable, within the periods specified by this Consent Solicitation Statement. It is recommended that Holders who hold the Certificates through Euroclear and Clearstream submit their Consent Forms at least two business days prior to the Expiration Date so that instructions may be received in a timely manner.**

A Consent will not be valid unless a duly executed Consent Form (and proxy, if required) is delivered to the Tabulation Agent at the address on the back cover page of this Consent Solicitation Statement not later than 12:00 p.m., New York City time, on the Expiration Date in accordance with the instructions in this Consent Solicitation Statement and the accompanying Consent Form. Consent Forms must be sent to the Tabulation Agent at the address on the back cover page of this Consent Solicitation Statement. Only the Consent Form (and proxy, if required)

should be sent to the Tabulation Agent. Delivery of Consent Forms to DTC will not constitute delivery to the Tabulation Agent.

### **Consent Fee**

There will be no consent fee paid by us to the Holders of Certificates or the Class E Noteholders in connection with obtaining their Consents to the Proposed Amendments described in this Consent Solicitation Statement.

### **Consent Procedures**

#### ***Form Requirements***

Persons shown in the records as Holders on the Consent Record Date who wish to consent to the Proposed Amendments must complete, sign and date a Consent Form in accordance with the instructions contained herein and therein.

Persons who currently hold the Certificates but did not own the Certificates on the Consent Record Date and who wish to consent to the Proposed Amendments must complete, sign and date the Consent Form accompanied by a proxy (in a form acceptable to the Tabulation Agent) executed by the Holder from whom such persons obtained the Certificates. The Consent Form (including the proxy) must be completed, signed and dated in accordance with the instructions contained herein and therein.

In addition, a beneficial holder who currently owns an interest in the Certificates but did not own such interest in the Certificates on the Consent Record Date must also deliver a proxy (in a form acceptable to the custodian, broker, dealer or other nominee Holder through which it holds its interest) from the beneficial holder who held such Certificates on the Consent Record Date.

The signature(s) of the Holder(s) and the person(s) who currently hold the Certificates but are not shown in the records as holders of the Certificates on the Consent Record Date must correspond with the name(s) as contained in such records or the proxy, as the case may be, without alteration or change whatsoever.

If any of the Certificates with respect to which a Consent is delivered are held by two or more persons, all such persons must sign the applicable Consent Form. If any of the Certificates with respect to which a Consent is delivered are held by a person who obtained such Certificates from two or more Holders, all such Holders must sign the applicable proxy. If any signature is by a trustee, partner, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, such person must so indicate when signing and must submit proper evidence satisfactory to the Tabulation Agent and the Pass-Through Trustee of such person's authority to so act, it being expressly understood that the Pass-Through Trustee may rely solely on the determination of the Tabulation Agent.

**A beneficial holder who possesses an interest in the Certificates through a custodian, broker, dealer or other nominee Holder must instruct the Holder of such Certificates to deliver a Consent on his or her behalf by having such Holder complete, sign and date a Consent Form in accordance with the instructions contained herein and therein and deliver such Consent Form to the Tabulation Agent on such beneficial holder's behalf. An Instruction Form for Beneficial Owners is included with this Consent Solicitation Statement for this purpose. Beneficial holders who have an interest in the Certificates through a custodian, broker, dealer or other nominee Holder should complete, sign and date such Instruction Form for Beneficial Owners in accordance with the instructions contained in such Instruction Form for Beneficial Owners or as otherwise required by such custodian, broker, dealer or other nominee Holder. The instruction, once given in the Instruction Form for Beneficial Owners, cannot be revoked.**

### ***Delivery Requirements***

Consent Forms and any required proxies may be sent by registered or certified mail, hand delivery, overnight courier or facsimile (confirmed by telephone). Consent Forms and any required proxies must be delivered to the Tabulation Agent at the address or fax number (and telephone number for confirmation) listed in this Consent Solicitation Statement and Consent Form, not to us, the Solicitation Agent, the Information Agent, the Indenture Trustee or the Pass-Through Trustee. **Only duly executed Consent Forms and any required proxies received by the Tabulation Agent not later than 12:00 p.m., New York City time, on the Expiration Date will count towards determining whether the Requisite Consents have been received. Delivery of Consent Forms to DTC will not constitute delivery to the Tabulation Agent.**

It is recommended that persons who hold the Certificates through Euroclear and Clearstream submit their instructions regarding the Consent Solicitation at least two Business Days prior to the Expiration Date so that instructions may be received in a timely manner.

### ***Incomplete Forms; Interpretation of Forms and Other Documents***

If a Consent relates to fewer than all the Certificates held of record as of the Consent Record Date by the Holder providing such Consent, such Holder must indicate on the Consent Form the aggregate dollar amount (in integral multiples of \$1,000) of such Certificates to which the Consent relates. If no aggregate Outstanding Principal Balance is provided on the Consent Form with respect to the Certificates, the Holder will be deemed to have given a Consent with respect to the entire aggregate Outstanding Principal Balance of the Certificates which is held by such Holder. If the "For" box is not marked with respect to any Subclass or Class of the Certificates on an executed Consent Form, the executing Holder will be deemed to have given a Consent (i.e., voted "For" the Proposed Amendments) with respect to the aggregate Outstanding Principal Balance of such Subclass or Class of the Certificates which it specified on the Consent Form or, if a Holder does not specify an aggregate Outstanding Principal Balance of such Subclass or Class of the Certificates on an executed Consent Form, the executing Holder will be deemed to have given a Consent with respect to the entire aggregate Outstanding Principal Balance of such Subclass or Class of the Certificates which is held by such Holder as of the Consent Record Date.

All questions as to the validity (including time of receipt), form, eligibility and acceptance of a Consent or proxy will be determined by us in our sole discretion, and that determination will be conclusive and binding on all parties. We reserve the right to reject any and all Consent Forms or proxies not in proper form or the acceptance of which may, in the opinion of our counsel, be unlawful. We also reserve the right to (i) waive any defect or irregularity in the delivery of any Consent or proxy, provided that we may not waive any such defect or irregularity that would violate the provisions of the Indentures or (ii) require that such irregularities be cured within such time as we determine. Neither we, the Solicitation Agent, the Indenture Trustee, the Administrative Agent, the Tabulation Agent, the Information Agent, the Pass-Through Trustee nor any of our or their respective affiliates, nor any other person shall have any responsibility to give notification of any defects or irregularities with respect to any Consent or proxy, nor shall any of us or them incur any liability for failure to give such notification.

Our interpretation of the terms and conditions of the Consent Solicitation (including the Consent Form and the instructions thereto) will be conclusive and binding on all parties.

### **Instructions**

The instructions referred to above are as follows:

- To instruct the relevant Holder to give the consents and instructions to GBR Information Services, Inc., as Tabulation Agent, for the benefit of Deutsche Bank Trust Company Americas, as Pass-Through Trustee, and irrevocably appoint the Tabulation Agent as its agent for purposes of delivering consents and instructions to

Deutsche Bank Trust Company Americas, as Pass-Through Trustee and for Deutsche Bank Trust Company Americas, as Pass-Through Trustee to give consents and instructions to Deutsche Bank Trust Company Americas, as Indenture Trustee with respect to the Notes held by it in the same proportion as the Certificates of the corresponding Subclass or Class were actually consented to by the relevant Holder.

- To authorize and instruct Deutsche Bank Trust Company Americas, as Indenture Trustee, to enter into the Proposed Amendments if and when the Requisite Consents have been received by the Indenture Trustee.

**Such instructions must be given by the Holders to GBR Information Services, Inc., as Tabulation Agent, for the benefit of Deutsche Bank Trust Company Americas, as Pass-Through Trustee, so as to be received as soon as possible and no later than 12:00 p.m. (New York City time) on November 23, 2010, unless we, in our sole discretion by separate notice, extend the period during which the Consent Solicitation is open.**

#### **Effective Date**

As soon as practicable after the Expiration Date, the Tabulation Agent will notify the Indenture Trustee and the Pass-Through Trustee in writing whether and in what proportion the Requisite Consents have been received by it.

If the Requisite Consents are received, the Indenture Trustee will, as soon as practicable after the Expiration Date, execute and deliver a supplement to each of the Indentures (each, an “**Indenture Supplement**” and together, the “**Indenture Supplements**”) together with any other documents, including an amendment to the Servicing Agreement, to the extent necessary to effect the Proposed Amendments.

**If the Proposed Amendments become effective (subject to the execution and delivery of the Indenture Supplements by us and the Indenture Trustee), the Proposed Amendments will be binding upon each current and subsequent Holder of the Certificates and each Class E Noteholder, regardless of whether or not such holder delivered its Consent.**

As soon as practicable after the Proposed Amendments become effective, Airplanes Group will provide by press release or other public announcement (or by written notice to the Holders of the Certificates and the holders of the Class E Notes) to the Holders and the Rating Agencies, a notice briefly describing the amendments. Any failure of Airplanes Group to provide such notice, or any defect therein, shall not, however, in any way impair the validity of the amendments.

#### **Requisite Consents**

The Requisite Consents for the Proposed Amendments are the Consents of the holders of at least a majority of the Outstanding Principal Balance of the Notes, including the Class E Notes, voting as a single class. As of October 15, 2010, the Outstanding Principal Balance of the Notes was \$2,324,857,283. The Subclass A-8 and A-9 Notes and Class B, C and D Notes are held by the Pass-Through Trustee who will give consents for these Notes in accordance with the Consents it receives from the holders of the corresponding Subclass A-8 and A-9 Certificates and Class B, C and D Certificates.

#### **Extensions; Amendments; Termination**

We reserve the right to extend the Consent Solicitation at any time and from time to time by giving oral (confirmed in writing) or written notice to the Indenture Trustee, the Pass-Through Trustee, the Solicitation Agent and DTC Custodian not later than 5:00 p.m., New York City time, on or before the next Business Day after the previously announced Expiration Date. Any such extension will be followed as promptly as practicable by notice thereof by press release or other public announcement (or by written notice to the Holders of the Certificates and the holders of the

Class E Notes) provided by us of the new Expiration Date. In the event of any such extension of the applicable Expiration Date, all Consents shall remain valid until the date and time to which the Expiration Date is so extended. An extension of the Expiration Date shall be effective if we give oral or written notice thereof to the Tabulation Agent not later than 9:00 a.m., followed by a press release or other public announcement not later than 2:00 p.m., New York City time, on the immediately following Business Day. We may extend the Consent Solicitation on a daily basis or for such specified period of time as we determine in our sole discretion.

We expressly reserve the right for any reason (i) to terminate the Consent Solicitation at any time prior to the Expiration Date by giving written notice of such termination to the Indenture Trustee, the Pass-Through Trustee, the Solicitation Agent and DTC Custodian and (ii) not to extend the Consent Solicitation beyond any Expiration Date. Any such action by us will be followed as promptly as practicable by notice thereof by press release or other public announcement (or by written notice to the Holders of the Certificates and the holders of the Class E Notes). If we terminate the Consent Solicitation, any Consents received shall be void and the Proposed Amendments will not be adopted.

We expressly reserve the right to modify, at any time or from time to time, the terms of the Consent Solicitation and the Proposed Amendments in any manner we deem necessary or advisable. We will not be obligated to deliver notice of such modification to the Holders of the Certificates and holders of the Class E Notes by 12:00 p.m., New York City time, on the Expiration Date. Consents given prior to such modifications will remain valid and effective and will constitute Consents to the Proposed Amendments, as so modified, provided that Airplanes Group has determined that the substance of such modified Proposed Amendments is consistent with that of the Proposed Amendments in respect of which the Consents were originally granted.

However, if any modifications to the Proposed Amendments are substantive, we will grant the Holders of the Certificates and the holders of the Class E Notes who consented prior to such modification the ability to withdraw or revoke their Consents. If this occurs, we will distribute an amendment to this Consent Solicitation Statement which will provide the Proposed Amendments as modified and describe procedures that may be used by the Holders of the Certificates and the holders of the Class E Notes to withdraw or revoke their Consents if they choose to do so as a result of such modifications.

## THE AGENTS

We have retained Jefferies & Company as Solicitation Agent. In its role as Solicitation Agent, Jefferies & Company will solicit Consents and will be available to respond to inquiries of the Holders. In consideration of Jefferies & Company acting as Solicitation Agent, we have agreed to pay Jefferies & Company a fee for its services of up to \$500,000, most of which is conditional on the success of this Consent Solicitation, plus reimbursement for its reasonable out-of-pocket expenses. We have also agreed to indemnify Jefferies & Company for certain third-party claims that may arise in connection with this Consent Solicitation and any transaction described in this Consent Solicitation Statement and the accompanying materials. Jefferies & Company is a full-service broker-dealer that is engaged in making markets in the Certificates on behalf of its customers. Accordingly, Jefferies & Company may have a long or short position in the Certificates at any time prior to, during or after the Consent Solicitation process.

We have also agreed to pay the Administrative Agent a fee of \$150,000, half of which is conditional on the success of this Consent Solicitation, in respect of its additional work in connection with the Consent Solicitation as well as reimbursement for its reasonable out-of-pocket expenses.

GBR Information Services, Inc. has been retained as Tabulation Agent and Information Agent in connection with the Consent Solicitation. The Tabulation Agent will ensure an impartial tabulation of results given that the Solicitation Agent's fees are largely conditional on the success

of this Consent Solicitation. The Tabulation Agent will receive a separate market-based fee. The Information Agent's exclusive duty is the distribution of this Consent Solicitation Statement to holders of Book-Entry Interests in the Certificates, and it will receive a fee for its services plus reimbursement of reasonable out-of-pocket expenses.

Questions concerning the Consent Solicitation and requests for additional copies of this Consent Solicitation Statement, the Consent Form and the Instruction Form for Beneficial Owners should be directed to the Solicitation Agent and the Information Agent, at the addresses and telephone numbers set forth on the accompanying Consent Form and the Instruction Form for Beneficial Owners.

We have not authorized either the Information Agent or the Solicitation Agent to give any information or make any representations in connection with the Consent Solicitation other than those contained in this Consent Solicitation Statement and the accompanying materials and, if given or made, such information or representations must not be relied upon as having been authorized.

### **EXPENSES**

We will bear the expenses of preparing, printing and mailing this Consent Solicitation Statement and the accompanying materials, including our legal, accounting and other expenses in connection with the Consent Solicitation.

In addition to the use of mails, Consents may be solicited by the Solicitation Agent in person or by telephone or other means of communication.

No fees will be paid by us to the Holders of any of the Certificates or the holders of the Class E Notes in connection with obtaining their Consents to the Proposed Amendments described in this Consent Solicitation Statement.

Other than to the Solicitation Agent, the Tabulation Agent and the Information Agent, no commission or other remuneration will be paid to any broker, dealer, salesman or other person for soliciting Consents. Brokers, dealers, commercial banks and trust companies will be reimbursed for reasonable out-of-pocket expenses incurred by them in forwarding this Consent Solicitation Statement and the accompanying materials to their customers.

**AIRPLANES LIMITED and  
AIRPLANES U.S. TRUST**

November 2, 2010



PROPOSED AMENDMENTS TO THE INDENTURES

## Airplanes Limited Indenture

*The current text of the relevant provisions of the Airplanes Limited Indenture is reproduced below, marked to show the changes that would be effected by the Proposed Amendments. Insertions are highlighted by underlined text and deletions by struck-through text.*

"Maintenance Reserve Amount" means with respect to Airplanes Group, collectively, an amount initially equal to \$80,000,000.<sup>1</sup> The Maintenance Reserve Amount ~~(a)~~ may be increased or decreased from time to time by the Boards of the Issuer and the Guarantor for any reason ~~and (b) may be decreased from time to time, subject to approval of the Boards of the Issuer and the Guarantor;~~ provided that any ~~such~~ reduction therein shall be subject to prior written notification to the Rating Agency Confirmation Agencies. At such time as the aggregate Outstanding Principal Balance of the Airplanes Group Notes is less than or equal to the Maintenance Reserve Amount, the Maintenance Reserve Amount for the next succeeding Payment Date shall be the Outstanding Principal Balance of the Airplanes Group Notes, and the Maintenance Reserve Amount for the Payment Date following the Interest Accrual Period in which the last Aircraft owned by Airplanes Group is sold or title thereto is transferred under an Aircraft Sale shall be zero. Any change or adjustment in the Maintenance Reserve Amount shall be reported to the Indenture Trustee in the Monthly Report delivered on the Payment Date immediately succeeding the date of change or adjustment.

"Miscellaneous Reserve Amount" means with respect to Airplanes Group, collectively, an amount initially equal to \$40,000,000.<sup>1</sup> The Miscellaneous Reserve Amount ~~(a)~~ may be increased or decreased from time to time by the Boards of the Issuer and the Guarantor for any reason ~~and (b) may be decreased from time to time, subject to approval of the Boards of the Issuer and the Guarantor;~~ provided that any ~~such~~ reduction therein shall be subject to prior written notification to the Rating Agency Confirmation Agencies. At such time as the aggregate Outstanding Principal Balance of the Airplanes Group Notes is less than or equal to the Miscellaneous Reserve Amount, the Miscellaneous Reserve Amount for the next succeeding Payment Date shall be the Outstanding Principal Balance of the Airplanes Group Notes, and the Miscellaneous Reserve Amount for the Payment Date following the Interest Accrual Period in which the last Aircraft owned by Airplanes Group is sold or title thereto is transferred pursuant to an Aircraft Sale shall be zero. Any change or adjustment in the Miscellaneous Reserve Amount shall be reported to the Indenture Trustee in the Monthly Report delivered on the Payment Date immediately succeeding the date of change or adjustment.

~~The "Note Target Price" means, in respect of any Aircraft, an amount equal to 105% of the aggregate Outstanding Principal Balance of the A-D Airplanes Group Notes allocable to such Aircraft on the date of the sale agreement or purchase option granting date, as the case may be. On any date, the Outstanding Principal Balance of A-D Airplanes Group Notes allocable to an Aircraft shall equal the product of (i) (A) the Adjusted Base Value of such Aircraft divided by (B) the Adjusted Portfolio Value and (ii) the aggregate Outstanding Principal Balance of the A-D Airplanes Group Notes, in each case on the most recent Payment Date.~~

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<sup>1</sup> In connection with a refinancing of Notes and Certificates undertaken by Airplanes Group in 2001, the Maintenance Reserve Amount was split, such that \$60,000,000 was required to be retained as the First Collection Account Top-up at level (iii) in the priority of payments under the Indentures and the balance of \$20,000,000 was required to be retained as part of the Second Collection Account Top-up at level (x) in the priority of payments. As disclosed more fully in the Annual Report, since December 2003 our cash flows have been insufficient to allocate any funds to the Second Collection Account Top-up and therefore the amount we are currently retaining each month as the Maintenance Reserve Amount is \$60,000,000. Also, in connection with the 2001 refinancing, the Miscellaneous Reserve Amount was reduced to nil as of March 15, 2001.

"Permitted Account Investments" means, in each case, book-entry securities, negotiable instruments or securities represented by instruments in bearer or registered form which evidence:

(a) direct obligations of, and obligations fully guaranteed as to timely payment by, the United States of America (having original maturities of no more than 365 days, or such lesser time as is required for the distribution of funds);

(b) demand deposits, time deposits or certificates of deposit of the Operating Bank or of depository institutions or trust companies organized under the laws of the United States of America or any state thereof, or the District of Columbia (or any domestic branch of a foreign bank) (i) having original maturities of no more than 365 days, or such lesser time as is required for the distribution of funds; *provided* that at the time of investment or contractual commitment to invest therein, the short-term debt rating of such depository institution or trust company shall be at least "A1 +" or "AA" by Standard & Poor's and "P1" or "Aa2" by Moody's and which is acceptable to DCR or (ii) having maturities of more than 365 days and, at the time of the investment or contractual commitment to invest therein, a rating of "AA" from Standard & Poor's and "Aa2" from Moody's and which is acceptable to DCR;

(c) corporate or municipal debt obligations (i) having remaining maturities of no more than 365 days, or such lesser time as is required for the distribution of funds, having, at the time of the investment or contractual commitment to invest therein, a rating of at least "A1 +" or "AA" by Standard & Poor's and "P1" or "Aa2" by Moody's and which is acceptable to DCR or (ii) having maturities of more than 365 days and, at the time of the investment or contractual commitment to invest therein, a rating of "AA" from Standard & Poor's and "Aa2" from Moody's and which is acceptable to DCR;

(d) investments in money market funds (including funds in respect of which the Trustee, any Indenture Trustee or any of their respective affiliates is investment manager or advisor) having a rating of at least "AA" by Standard & Poor's and "Aa2" by Moody's and which is acceptable to DCR;

(e) notes or bankers' acceptances (having original maturities of no more than 365 days, or such lesser time as is required for the distribution of funds) issued by any depository institution or trust company referred to in (b) above; or

(f) any other investments ~~upon Rating Agency Confirmation~~ subject to approval by the Boards of the Issuer and the Guarantor and prior written notification to the Rating Agencies;

*provided, however,* that no investment shall be made in any obligations of any depository institution or trust company which has a contractual right to set off and apply any deposits held, and other indebtedness owing, by any Airplanes Group Member to or for the credit or the account of such bank.

~~"Rating Agency Confirmation" means a prior written confirmation from each Rating Agency that a specified action or event shall not result in the downgrade or withdrawal of such Rating Agency's then current credit rating of any class or subclass of Certificates.~~

Section 3.10(b)

(b) Redemption for Taxation Reasons. Subject to the provisions of Section 3.10(c) hereof, if, at any time,

(i) the Issuer or the Guarantor is, or on the next succeeding Payment Date will be, required to make any withholding or deduction under the laws or regulations of any applicable tax authority with respect to any payment on any class or subclass of the Airplanes Group Notes; or

(ii) the Issuer or the Guarantor is or will be subject to any circumstance (whether by reason of any law, regulation, regulatory requirement or double-taxation convention, or the interpretation or application thereof, or otherwise) leading to the imposition of a tax (whether by direct assessment or by withholding at source) or other similar imposition by any jurisdiction which would (A) materially increase the cost to the Issuer or the Guarantor of making payments in respect of any class or subclass of Airplanes Group Notes or of complying with its obligations under or in connection with the Airplanes Group Notes; (B) materially increase the operating or administrative expenses of the Issuer or the Guarantor, as the case may be, or the Charitable Trusts; or (C) otherwise obligate the Issuer or the Guarantor or any subsidiary of either of them to make any material payment on, or calculated by reference to, the amount of any sum received or receivable by the Issuer or the Guarantor, as the case may be, or by the Cash Manager on behalf of Airplanes Group as contemplated by the Cash Management Agreement;

then the Issuer or the Guarantor, or both, shall inform the Indenture Trustee in writing at such time of any such requirement or imposition and shall use its or their best efforts to avoid the effect of the same; *provided* that no actions shall be taken by either the Issuer or the Guarantor to avoid such effects without [prior written notification to the Rating Agency Confirmation Agencies](#). If, after using its reasonable best efforts to avoid the adverse effects described above, the Issuer or the Guarantor or both, or any subsidiary of either of them, has not avoided such effects, each of the Issuer and the Guarantor may, at its election, redeem the Airplanes Group Notes in whole, without Premium, on any Payment Date; *provided, however*, that any such redemptions may not occur more than 30 days prior to such time as the requirement or imposition described in (i) or (ii) above is to become effective; and *provided further* that notice of any such redemption shall be given to the Indenture Trustee not less than 30 days prior to such Redemption Date.

Section 5.02(b)

(b) Limitation on Encumbrances. The Issuer shall not, and shall not permit any Issuer Subsidiary to, create, incur, assume or suffer to exist any mortgage, pledge, lien, encumbrance, charge or security interest (in each case, an "Encumbrance"), including, without limitation, any conditional sale, any sale with recourse against the seller or any affiliate of the seller, or any agreement to give any security interest over or with respect to any of the Issuer's or any Issuer Subsidiary's assets (other than the segregation of the Segregated Funds) including, without limitation, all ordinary shares and preferred shares, any options, warrants and other rights to acquire such shares of capital stock ("Stock") and any Indebtedness of any subsidiary held by the Issuer or any Issuer Subsidiary.

Notwithstanding the foregoing, the Issuer may create, incur, assume or suffer to exist (i) any Permitted Encumbrance, (ii) any security interest created or required to be created under the Security Trust Agreement, (iii) Encumbrances over rights in or derived from Leases, upon prior written notification to the Rating Agency Confirmation Agencies (provided that any transaction or series of transactions resulting in such Encumbrance, taken as a whole, does not materially adversely affect the amount of Collections that would have been received by any Airplanes Group Member from such Lease had such Encumbrance not been created) or (iv) any other Encumbrance the validity or applicability of which is being contested in good faith in appropriate proceedings by the Issuer or any Issuer Subsidiary; provided that if such proceedings continue for a period exceeding 12 months, such continuing proceedings, together with the aggregate of all corresponding continuing proceedings related to the Guarantor Aircraft, do not relate to claims exceeding 2% of the aggregate Initial Appraised Value of the Portfolio; *provided further* that if the aggregate of such proceedings being so contested by Airplanes Group relates to claims exceeding 2% of the aggregate Initial Appraised Value of the Portfolio, then the Issuer shall give notice thereof to the Rating Agencies.

For the purposes of this Indenture, "affiliate" means, with respect to any Person, any other Person that, directly or indirectly, controls, is controlled by or is under common control with, such Person or is a director or officer of such Person; "control" of a Person means the possession, direct or indirect, of the power to vote 5% or more of the voting stock of such Person or to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting Stock, by contract or otherwise; *provided* that GPA Group and its affiliates shall not be deemed to be affiliates of any Airplanes Group Member. "Permitted Encumbrance" means (i) any lien for taxes, assessments and governmental charges or levies not yet due and payable or which are being contested in good faith by appropriate proceedings; (ii) in respect of any Aircraft, any lien of a repairer, carrier or hangar keeper arising in the ordinary course of business by operation of law or any engine or parts - pooling arrangements or other similar lien; (iii) any permitted lien or encumbrances on any Aircraft, Engines or Parts as defined under any Lease thereof (other than liens or encumbrances created by the relevant lessor); (iv) any lien created by or through or arising from debt or liabilities or any act or omission of any Lessee in each case either in contravention of the relevant Lease (whether or not such Lease has been terminated) or without the consent of the relevant lessor (provided that if such lessor becomes aware of any such lien, it shall use commercially reasonable efforts to have any such lien lifted); (v) any head lease, lease, Conditional Sale Agreement or Purchase Option existing on the Closing Date or Aircraft Agreement meeting the requirements of clause (iii) of the second paragraph of Section 5.02(g) hereof; (vi) any lien for air navigation authority, airport tending, gate or handling (or similar) charges or levies; (vii) any lien created in favor of the Issuer, any Issuer Subsidiary or the Security Trustee; (viii) the pledge of up to \$5,500,000 created to secure the obligation of AeroUSA, Inc. under the Facility Agreement dated as of March 28, 1996, between AeroUSA, Inc and Kredietbank (Nederland) NY; and (ix) any other lien not referred to in clauses (i) through (viii) of this paragraph which would not adversely affect the owner's rights and does not exceed the greater of \$2,000,000 in the aggregate for the Portfolio, taken as a whole, or \$250,000 per Aircraft.

Section 5.02(e)

(e) Limitation on Engaging in Business Activities. The Issuer shall not, and shall not permit any Issuer Subsidiary to, engage in any business or activity other than:

[~~.....~~]

(iv) engaging in currency and interest rate exchange transactions for the purposes of avoiding, reducing, minimizing, hedging against or otherwise managing the risk of any loss, cost, expense or liability arising, or which may arise, directly or indirect, from any change or changes in any interest rate or currency exchange rate in the price or value of any of the Issuer's or any Issuer Subsidiary's property or assets, within limits determined by the Board from time to time and submitted ~~and agreed to by~~ the Rating Agencies, including but not limited to dealings, whether involving purchases, sales or otherwise, in foreign currency, spot and forward interest rate exchange contracts, forward interest rate agreements, caps, floors and collars, futures, options, swaps and any other currency, interest rate and other similar hedging arrangements and such other instruments as are similar to, or derivatives of, any of the foregoing;

(v) (A) establishing, promoting and aiding in promoting, constituting, forming or organizing companies, syndicates or partnerships of all kinds in any part of the world for the purposes set forth in clause (i) above, (B) acquiring, holding and disposing of shares, securities and other interests in any such company, syndicate or partnership and (C) disposing of shares, securities and other interests in, or causing the dissolution of, ~~any existing subsidiary other than Holding Co.~~ any subsidiaries; *provided* that any such disposition which results in the disposition of an Aircraft meets the requirements set forth in Section 5.02(g) hereof; and *provided, further*, that the constitutional documents of any such company, syndicate or partnership shall be substantially similar to, to the extent applicable under applicable local law, those of the Airplanes Group Members on the Closing Date; and

[~~.....~~]

Section 5.02(f)

(f) Limitation on Indebtedness. The Issuer shall not, and shall not permit any Issuer Subsidiary to, incur, create, issue, assume, guarantee or otherwise become liable for or with respect to, or become responsible for, the payment of, contingently or otherwise, whether present or future (in any such case, to "incur"), Indebtedness.

For the purposes of this Indenture, "Indebtedness" means, with respect to any Person at any date of determination (without duplication), (i) all indebtedness of such Person for borrowed money, (ii) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (iii) all obligations of such Person in respect of letters of credit or other similar instruments (including reimbursement obligations with respect thereto), (iv) all the obligations of such Person to pay the deferred and unpaid purchase price of property or services, which purchase price is due more than six months after the date of purchasing such property or service or taking delivery and title thereto or the completion of such services, and payment deferrals arranged primarily as a method of raising finance or financing the acquisition of such property or service, (v) all obligations of such Person under a lease of (or other agreement conveying the right to use) any property (whether real, personal or mixed) that is required to be classified and accounted for as a capital lease obligation under U.S. GAAP, (vi) all Indebtedness (as defined in clauses (i) through (v) of this paragraph) of other Persons secured by a lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person, and (vii) all Indebtedness (as defined in clauses (i) through (v) of this paragraph) of other Persons guaranteed by such Person.

Notwithstanding the foregoing, the Issuer and any Issuer Subsidiary may incur each and all of the following: (i) Indebtedness in respect of any Note or Guarantee issued on the Closing Date, (ii) Indebtedness in respect of any Refinancing Notes; *provided* that (A) the Refinancing Certificates corresponding to such Refinancing Notes receive ratings from the Rating Agencies at the close of such Refinancing equal to or higher than those of the class or subclass being refinanced (determined at the date of incurrence), (B) ~~taking into account such Refinancing,~~ the Issuer ~~receives~~ shall have given written notification to the Rating Agency Confirmation Agencies prior to such Refinancing ~~with respect to each class or subclass of Notes Outstanding at such time,~~ (C) such Refinancing does not extend the Remaining Weighted Average Life of any other class or subclass of Notes then Outstanding by more than three months and (D) the net proceeds of any such Refinancing shall be used only to repay the Outstanding Principal Balance of the class or subclass of the Notes being so refinanced; and *provided further* that, in the case of any Refinancing of Notes other than the Soft Bullet Notes, the Remaining Weighted Average Life and Expected Final Payment Date of such Refinancing Notes, determined as of the date of incurrence, does not exceed by more than three months (x) with respect to the Fixed Rate Notes, the Remaining Weighted Average Life or Expected Final Payment Date, as the case may be, of such class or subclass of Notes to be so refinanced, and (y) with respect to the Floating Rate Notes, the Expected Final Payment Date of such class or subclass of Notes to be so refinanced; (iii) Indebtedness in respect of guarantees by the Issuer or any Issuer Subsidiary of any other Airplanes Group Member; *provided* that no such Indebtedness in respect of any Airplanes Group Member other than of the Issuer or any Issuer Subsidiary shall be incurred if it would materially adversely affect the Noteholders; (iv) obligations to each Seller under any Stock Purchase Agreement and the related lease assignment and assumption agreements and the documents related thereto; (v) Indebtedness in respect of any issuance of Future Class E Notes; (vi) Indebtedness under any agreements between the Issuer or any Issuer Subsidiary and any other Airplanes Group Members (each, an "Intercompany Loan"); *provided* that no such Indebtedness incurred in respect of any Airplanes Group Member other than the Issuer or any Issuer Subsidiary shall be incurred if it would materially adversely affect the Noteholders; and (vii) any subordinated, non-interest bearing note in respect of which principal may not be paid while any A-D Note remains Outstanding issued in accordance with the terms of the Tax Sharing Agreement.

For the purposes of this Indenture, "guarantee" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness or other obligation

of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation of such other Person or (ii) entered into for purposes of assuring in any other manner the obligee of such Indebtedness or other obligation of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part); *provided* that the term "guarantee" shall not include endorsements for collection or deposit in the ordinary course of business. The term "guarantee" when used as a verb has a corresponding meaning.



Section 5.02(i)

(i) Limitation on Consolidation, Merger and Transfer of Assets. The Issuer shall not, and shall not permit any Issuer Subsidiary to, consolidate with, merge with or into, or sell, convey, transfer, lease or otherwise dispose of its property and assets (as an entirety or substantially an entirety in one transaction or in a series of related transactions) to, any other Person, or permit any other Person to merge with or into the Issuer or any Issuer Subsidiary, unless (i) the resulting entity is a special purpose corporation, the charter of which is substantially similar to the Memorandum of Association of the Issuer or the equivalent charter document of such Issuer Subsidiary, as the case may be, and, after such consolidation, merger, sale, conveyance, transfer, lease or other disposition, payments from such resulting entity to the Noteholders do not give rise to any withholding tax payments less favorable to the Noteholders than the amount of any withholding tax payments which would have been required had such event not occurred, (ii) in the case of any consolidation, merger or transfer by the Issuer, the surviving successor or transferee entity shall expressly assume all of the obligations of the Issuer under this Indenture, the Notes and each other Relevant Document to which the Issuer is then a party, (iii) the ~~Board~~ Issuer shall have ~~obtained a Rating Agency Confirmation with respect to~~ given prior written notification to the Rating Agencies of such merger, sale, conveyance, transfer, lease or disposition, (iv) immediately after giving effect to such transaction, no Event of Default shall have occurred and be continuing and (v) the Issuer delivers to the Indenture Trustee an Officer's Certificate and an opinion of counsel, in each case stating that such consolidation, merger or transfer and such supplemental indenture comply with the above criteria and, if applicable, Section 5.02(g) hereof and that all conditions precedent provided for herein relating to such transaction have been complied with; provided that this covenant shall not apply to any such consolidation, merger, sale, conveyance, transfer, lease or disposition (a) within and among the Issuer and any Issuer Subsidiary and any other Airplanes Group Member if such consolidation, merger, sale, conveyance, transfer, lease or disposition, as the case may be, would not materially adversely affect the Noteholders, (b) complying with the terms of Section 5.02(g) hereof or (c) effected as part of a single transaction providing for the redemption or defeasance of the Airplanes Group Notes in accordance with Section 3, 10 or Article XI, respectively, hereof.

Section 5.02(1)

(1) Bankruptcy and Insolvency; Corporate Governance. The Issuer (i) shall promptly provide the Indenture Trustee and the Rating Agencies with notice of the institution of any proceeding by or against the Issuer or any Issuer Subsidiary, as the case may be, seeking to adjudicate any of them a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of their debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee or other similar official for either or for any substantial part of their property and (ii) shall not, without an affirmative unanimous written resolution of the Board and ~~receipt of prior written notification to the~~ Rating ~~Agency~~ ~~Confirmation~~ Agencies, take any action to waive, repeal, amend, vary, supplement or otherwise modify its charter documents and any company formed by the Issuer or any Issuer Subsidiary shall adopt constitutive documents substantially similar to, to the extent applicable under applicable local law, those of the Airplanes Group Members on the Closing Date.

Section 5.03 (a)

Operating Covenants. The Issuer covenants with the Indenture Trustee as follows:

(a) Concentration Limits. ~~Unless the Board obtains Rating Agency Confirmation, the~~The Issuer shall not permit any Issuer Subsidiary to lease or re-lease any Aircraft if entering into such proposed Lease would cause the Portfolio to exceed any of the Concentration Limits set forth in Exhibit F hereto (as such limits may be adjusted by the Issuer from time to time, subject to prior written notification to the Rating Agencies) (the "Concentration Limits"); *provided* that the Issuer and any Issuer Subsidiary shall be entitled to renew or extend any Lease to the existing Lessee thereunder and to sell, transfer or otherwise dispose of, any Aircraft irrespective of the effect of any such ~~renewal or extension~~transaction on the Concentration Limits. The Issuer shall not permit any Issuer Subsidiary to lease or re-lease any Aircraft operated or to be operated by a Lessee domiciled in a jurisdiction set forth in Exhibit F hereto ~~and~~ (as such Exhibit may be amended from time to time ~~upon the approval of~~by the Issuer, subject to prior written notification to the Rating Agencies) ~~as~~under the heading "Prohibited Countries".

Section 5.03(h)

(h) Insurance. The Issuer shall maintain or cause, directly or indirectly through the Issuer Subsidiaries, to be maintained with reputable and responsible insurers or with insurers that maintain relevant reinsurance with reputable and responsible reinsurers (i) airline hull insurance for each Aircraft in an amount at least equal to the ~~Note Target Price~~ most recent appraised Base Value for such Aircraft (or the equivalent thereof from time to time if such insurance is denominated in a currency other than U.S. dollars), (ii) airline liability insurance for each Aircraft and occurrence in an amount at least equal to the relevant amount set forth on Exhibit H hereto for each model of aircraft and (iii) airline political risk insurance (“PRI”) for each Aircraft subject to a lease and habitually based in a jurisdiction determined in accordance with the PRI Guidelines as set forth on Exhibit H hereto and as amended from time to time by the Board of the Issuer, in an amount at least equal to the ~~Note Target Price~~ most recent appraised Base Value (or the equivalent thereof from time to time if such insurance is denominated in a currency other than U.S. dollars) for such Aircraft; *provided, however*, that with respect to any insurance for any Aircraft, such insurance may be subject to (x) deductibles and self-insurance in an amount not exceeding \$10,000,000 in the aggregate in respect of any one occurrence in respect of such Aircraft that is subject to a Lease (or sale agreement) with any Lessee (or purchaser) whose long-term unsecured debt obligations are rated not less than A, or the equivalent, by at least one of the Rating Agencies, or (y) commercially reasonable deductible and self-insurance arrangements, (taking into account, *inter alia*, the creditworthiness and experience of the Lessee, if any, the type of aircraft and market practices in the aircraft insurance industry generally). Apart from the matters covered by the preceding sentence, the coverage and terms (including endorsements) of any insurance maintained (a) with respect to any Aircraft not subject to a Lease shall be substantially consistent with the commercial practices of leading international aircraft operating lessors regarding similar aircraft and (b) with respect to any Aircraft subject to a Lease, shall be substantially consistent with the relevant provisions of such Lease.

In determining the amount of insurance required to be maintained by this Section 5.03(h), the Issuer may take into account any indemnification from, or insurance provided by, any governmental, supranational or inter-governmental authority or agency (other than, with respect to PRI, any governmental authority or agency of any jurisdiction for which PRI must be obtained), the sovereign foreign currency debt of which is rated AA, or the equivalent, by at least one of the Rating Agencies, against any risk with respect to an Aircraft at least in an amount which, when added to the amount of insurance against such risk maintained by the Issuer (or which the Issuer has caused to be maintained), shall be at least equal to the amount of insurance against such risk otherwise required by this Section 5.03(h) (taking into account self-insurance permitted by this Section 5.03(h)). Any such indemnification or insurance provided by such government shall provide substantially similar protection as the insurance required by this Section 5.03(h). The Issuer shall not be required to maintain (or to cause to be maintained) any insurance otherwise required hereunder to the extent that such insurance is not generally available in the relevant insurance market from time to time.

Section 9.05(a)

Swap Providers. (a) The Issuer may enter into one or more Swap Agreements from time to time; provided, however, that, at the time that the Issuer enters into a Swap Agreement with such Swap Provider, (i) the short-term unsecured debt obligations of each Swap Provider must be rated A-1 or higher by Standard & Poor's and (ii) the long-term unsecured debt obligations of such Swap Provider must be rated A2 or higher by Moody's , unless (x) the obligations of such Swap Provider under the Swap Agreement to which it is a party are guaranteed pursuant to a guarantee (each, a "Swap Guarantee") by a Person whose short- and long-term unsecured debt obligations are so rated or (y) a majority of the Board shall have otherwise approved the entry into such Swap Agreement with such Swap Provider and the Issuer shall have ~~received~~given prior written notification to the Rating ~~Agency Confirmation~~Agencies in respect of entry into such Swap Agreement, and provided, further, that as a condition to entering any such Swap Agreement, each Swap Provider must have agreed to be bound by Section 3.08 and Article X hereof.

Section 11.02.

Conditions to Defeasance. The Issuer may exercise its legal defeasance option or its covenant defeasance option only if:

(i) the Issuer irrevocably deposits in trust in the Defeasance/Redemption Account any one or any combination of (A) money, (B) obligations of, and supported by the full faith and credit of, the U.S. Government (“U.S. Government Obligations”) or (C) obligations of corporate issuers (“Corporate Obligations”) (*provided* that any such Corporate Obligations are rated AA +, or the equivalent, or higher, by the Rating Agencies at such time and shall not have a maturity of longer than three years from the date of defeasance) for the payment of all principal, Premium, if any, and interest (i) on the Notes or any class or subclass of Notes being defeased, in the case of legal defeasance, or (ii) on all of the Notes in the case of covenant defeasance, in either case, to maturity or redemption, as the case may be;

(ii) the Issuer delivers to the Indenture Trustee a certificate from a nationally recognized firm of independent accountants expressing their opinion that the payments of principal and interest when due and without reinvestment on the deposited U.S. Government Obligations or the Corporate Obligations plus any deposited money without investment will provide cash at such times and in such amounts as will be sufficient to pay principal and interest when due (i) on the Notes or any class or subclass of Notes being defeased, in the case of legal defeasance, or (ii) on all of the Notes in the case of covenant defeasance, in either case, to maturity or redemption, as the case may be;

(iii) 91 days pass after the deposit described in clause (1) above is made and during the 91-day period no Event of Default specified in Section 4.01(f) or (g) with respect to the Issuer occurs which is continuing at the end of the period;

(iv) the deposit described in clause (1) above does not constitute a default under any other agreement binding on the Issuer;

(v) the Issuer delivers to the Indenture Trustee an opinion of counsel to the effect that the trust resulting from the deposit described in clause (1) does not constitute, or is qualified as, a regulated investment company under the Investment Company Act of 1940, as amended;

(vi) in the case of the legal defeasance option, the Issuer shall have delivered to the Indenture Trustee an opinion of counsel stating that (i) the Issuer has received from, or there has been published by, the U.S. Internal Revenue Service a ruling, or (ii) since the date of this Indenture there has been a change in the applicable federal income tax law, in either case to the effect that, and based thereon such opinion of counsel shall confirm that, the Noteholders will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such legal defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such legal defeasance had not occurred;

(vii) in the case of the covenant defeasance option, the Issuer shall have delivered to the Indenture Trustee an opinion of counsel to the effect that the Noteholders will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such covenant defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such covenant defeasance had not occurred;

(viii) if the related Certificates are then listed on any securities exchange, the Issuer delivers to the Indenture Trustee an opinion of counsel to the effect that such deposit, defeasance and discharge will not cause such Certificates to be delisted;

(ix) the Issuer has ~~obtained a Rating Agency Confirmation relating to~~given prior written notification to the Rating Agencies regarding the defeasance contemplated by this Section 11.02; and

(x) the Issuer delivers to the Indenture Trustee an Officer's Certificate and an opinion of counsel, each stating that all conditions precedent to the defeasance and discharge of the Notes as contemplated by this Article XI have been complied with.

## Airplanes U.S. Trust Indenture

*The current text of the relevant provisions of the Airplanes U.S. Trust Indenture is reproduced below, marked to show the changes that would be effected by the Proposed Amendments. Insertions are highlighted by underlined text and deletions by struck-through text.*

"Board" means, with respect to the Issuer, the board of ~~Directors~~Controlling Trustees of the Issuer, with respect to the Guarantor, the board of ~~Controlling Trustees~~Directors of the Guarantor and, with respect to any Airplanes Group Member other than the Issuer or the Guarantor, an equivalent governing body.

"Maintenance Reserve Amount" means with respect to Airplanes Group, collectively, an amount initially equal to \$80,000,000.<sup>2</sup> The Maintenance Reserve Amount ~~(a)~~ may be increased or decreased from time to time by the Boards of the Issuer and the Guarantor for any reason ~~and (b) may be decreased from time to time, subject to approval of the Boards of the Issuer and the Guarantor;~~ provided that any such reduction therein shall be subject to prior written notification to the Rating Agency Confirmation Agencies. At such time as the aggregate Outstanding Principal Balance of the Airplanes Group Notes is less than or equal to the Maintenance Reserve Amount, the Maintenance Reserve Amount for the next succeeding Payment Date shall be the Outstanding Principal Balance of the Airplanes Group Notes, and the Maintenance Reserve Amount for the Payment Date following the Interest Accrual Period in which the last Aircraft owned by Airplanes Group is sold or title thereto is transferred under an Aircraft Sale shall be zero. Any change or adjustment in the Maintenance Reserve Amount shall be reported to the Indenture Trustee in the Monthly Report delivered on the Payment Date immediately succeeding the date of change or adjustment.

"Miscellaneous Reserve Amount" means with respect to Airplanes Group, collectively, an amount initially equal to \$40,000,000.<sup>2</sup> The Miscellaneous Reserve Amount ~~(a)~~ may be increased or decreased from time to time by the Boards of the Issuer and the Guarantor for any reason ~~and (b) may be decreased from time to time, subject to approval of the Boards of the Issuer and the Guarantor;~~ provided that any such reduction therein shall be subject to prior written notification to the Rating Agency Confirmation Agencies. At such time as the aggregate Outstanding Principal Balance of the Airplanes Group Notes is less than or equal to the Miscellaneous Reserve Amount, the Miscellaneous Reserve Amount for the next succeeding Payment Date shall be the Outstanding Principal Balance of the Airplanes Group Notes, and the Miscellaneous Reserve Amount for the Payment Date following the Interest Accrual Period in which the last Aircraft owned by Airplanes Group is sold or title thereto is transferred pursuant to an Aircraft Sale shall be zero. Any change or adjustment in the Miscellaneous Reserve Amount shall be reported to the Indenture Trustee in the Monthly Report delivered on the Payment Date immediately succeeding the date of change or adjustment.

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<sup>2</sup> In connection with a refinancing of Notes and Certificates undertaken by Airplanes Group in 2001, the Maintenance Reserve Amount was split, such that \$60,000,000 was required to be retained as the First Collection Account Top-up at level (iii) in the priority of payments under the Indentures and the balance of \$20,000,000 was required to be retained as part of the Second Collection Account Top-up at level (x) in the priority of payments. As disclosed more fully in the Annual Report, since December 2003 our cash flows have been insufficient to allocate any funds to the Second Collection Account Top-up and therefore the amount we are currently retaining each month as the Maintenance Reserve Amount is \$60,000,000. Also, in connection with the 2001 refinancing, the Miscellaneous Reserve Amount was reduced to nil as of March 15, 2001.



~~The "Note Target Price" means, in respect of any Aircraft, an amount equal to 105% of the aggregate Outstanding Principal Balance of the A-D Airplanes Group Notes allocable to such Aircraft on the date of the sale agreement or purchase option granting date, as the case may be. On any date, the Outstanding Principal Balance of A-D Airplanes Group Notes allocable to an Aircraft shall equal the product of (i) (A) the Adjusted Base Value of such Aircraft divided by (B) the Adjusted Portfolio Value and (ii) the aggregate Outstanding Principal Balance of the A-D Airplanes Group Notes, in each case on the most recent Payment Date.~~

"Permitted Account Investments" means, in each case, book-entry securities, negotiable instruments or securities represented by instruments in bearer or registered form which evidence:

(a) direct obligations of, and obligations fully guaranteed as to timely payment by, the United States of America (having original maturities of no more than 365 days, or such lesser time as is required for the distribution of funds);

(b) demand deposits, time deposits or certificates of deposit of the Operating Bank or of depository institutions or trust companies organized under the laws of the United States of America or any state thereof, or the District of Columbia (or any domestic branch of a foreign bank) (i) having original maturities of no more than 365 days, or such lesser time as is required for the distribution of funds; *provided* that at the time of investment or contractual commitment to invest therein, the short-term debt rating of such depository institution or trust company shall be at least "A1 +" or "AA" by Standard & Poor's and "P1" or "Aa2" by Moody's and which is acceptable to DCR or (ii) having maturities of more than 365 days and, at the time of the investment or contractual commitment to invest therein, a rating of "AA" from Standard & Poor's and "Aa2" from Moody's and which is acceptable to DCR;

(c) corporate or municipal debt obligations (i) having remaining maturities of no more than 365 days, or such lesser time as is required for the distribution of funds, having, at the time of the investment or contractual commitment to invest therein, a rating of at least "A1 +" or "AA" by Standard & Poor's and "P1" or "Aa2" by Moody's and which is acceptable to DCR or (ii) having maturities of more than 365 days and, at the time of the investment or contractual commitment to invest therein, a rating of "AA" from Standard & Poor's and "Aa2" from Moody's and which is acceptable to DCR;

(d) investments in money market funds (including funds in respect of which the Trustee, any Indenture Trustee or any of their respective affiliates is investment manager or advisor) having a rating of at least "AA" by Standard & Poor's and "Aa2" by Moody's and which is acceptable to DCR;

(e) notes or bankers' acceptances (having original maturities of no more than 365 days, or such lesser time as is required for the distribution of funds) issued by any depository institution or trust company referred to in (b) above; or

(f) any other investments ~~upon Rating Agency Confirmation~~ subject to approval by the Boards of the Issuer and the Guarantor and prior written notification to the Rating Agencies;

*provided, however,* that no investment shall be made in any obligations of any depository institution or trust company which has a contractual right to set off and apply any deposits held, and other indebtedness owing, by any Airplanes Group Member to or for the credit or the account of such bank.

~~"Rating Agency Confirmation" means a prior written confirmation from each Rating Agency that a specified action or event shall not result in the downgrade or withdrawal of such Rating Agency's then current credit rating of any class or subclass of Certificates.~~

Section 3.10(b)

(b) Redemption for Taxation Reasons. Subject to the provisions of Section 3.10(c) hereof, if, at any time,

(i) the Issuer or the Guarantor is, or on the next succeeding Payment Date will be, required to make any withholding or deduction under the laws or regulations of any applicable tax authority with respect to any payment on any class or subclass of the Airplanes Group Notes; or

(ii) the Issuer or the Guarantor is or will be subject to any circumstance (whether by reason of any law, regulation, regulatory requirement or double-taxation convention, or the interpretation or application thereof, or otherwise) leading to the imposition of a tax (whether by direct assessment or by withholding at source) or other similar imposition by any jurisdiction which would (A) materially increase the cost to the Issuer or the Guarantor of making payments in respect of any class or subclass of Airplanes Group Notes or of complying with its obligations under or in connection with the Airplanes Group Notes; (B) materially increase the operating or administrative expenses of the Issuer or the Guarantor, as the case may be, or the Charitable Trusts; or (C) otherwise obligate the Issuer or the Guarantor or any subsidiary of either of them to make any material payment on, or calculated by reference to, the amount of any sum received or receivable by the Issuer or the Guarantor, as the case may be, or by the Cash Manager on behalf of Airplanes Group as contemplated by the Cash Management Agreement;

then the Issuer or the Guarantor, or both, shall inform the Indenture Trustee in writing at such time of any such requirement or imposition and shall use its or their best efforts to avoid the effect of the same; *provided* that no actions shall be taken by either the Issuer or the Guarantor to avoid such effects without [prior written notification to the Rating Agency Confirmation Agencies](#). If, after using its reasonable best efforts to avoid the adverse effects described above, the Issuer or the Guarantor or both, or any subsidiary of either of them, has not avoided such effects, each of the Issuer and the Guarantor may, at its election, redeem the Airplanes Group Notes in whole, without Premium, on any Payment Date; *provided, however*, that any such redemptions may not occur more than 30 days prior to such time as the requirement or imposition described in (i) or (ii) above is to become effective; and *provided further* that notice of any such redemption shall be given to the Indenture Trustee not less than 30 days prior to such Redemption Date.

Section 5.02(b)

(b) Limitation on Encumbrances. The Issuer shall not, and shall not permit any Issuer Subsidiary to, create, incur, assume or suffer to exist any mortgage, pledge, lien, encumbrance, charge or security interest (in each case, an "Encumbrance"), including, without limitation, any conditional sale, any sale with recourse against the seller or any affiliate of the seller, or any agreement to give any security interest over or with respect to any of the Issuer's or any Issuer Subsidiary's assets (other than the segregation of the Segregated Funds) including, without limitation, all ordinary shares and preferred shares, any options, warrants and other rights to acquire such shares of capital stock ("Stock") and any Indebtedness of any subsidiary held by the Issuer or any Issuer Subsidiary.

Notwithstanding the foregoing, the Issuer may create, incur, assume or suffer to exist (i) any Permitted Encumbrance, (ii) any security interest created or required to be created under the Security Trust Agreement, (iii) Encumbrances over rights in or derived from Leases, upon prior written notification to the Rating Agency Confirmation Agencies (provided that any transaction or series of transactions resulting in such Encumbrance, taken as a whole, does not materially adversely affect the amount of Collections that would have been received by any Airplanes Group Member from such Lease had such Encumbrance not been created) or (iv) any other Encumbrance the validity or applicability of which is being contested in good faith in appropriate proceedings by the Issuer or any Issuer Subsidiary; provided that if such proceedings continue for a period exceeding 12 months, such continuing proceedings, together with the aggregate of all corresponding continuing proceedings related to the Guarantor Aircraft, do not relate to claims exceeding 2% of the aggregate Initial Appraised Value of the Portfolio; *provided further* that if the aggregate of such proceedings being so contested by Airplanes Group relates to claims exceeding 2% of the aggregate Initial Appraised Value of the Portfolio, then the Issuer shall give notice thereof to the Rating Agencies.

For the purposes of this Indenture, "affiliate" means, with respect to any Person, any other Person that, directly or indirectly, controls, is controlled by or is under common control with, such Person or is a director or officer of such Person; "control" of a Person means the possession, direct or indirect, of the power to vote 5% or more of the voting stock of such Person or to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting Stock, by contract or otherwise; *provided* that GPA Group and its affiliates shall not be deemed to be affiliates of any Airplanes Group Member. "Permitted Encumbrance" means (i) any lien for taxes, assessments and governmental charges or levies not yet due and payable or which are being contested in good faith by appropriate proceedings; (ii) in respect of any Aircraft, any lien of a repairer, carrier or hangar keeper arising in the ordinary course of business by operation of law or any engine or parts - pooling arrangements or other similar lien; (iii) any permitted lien or encumbrances on any Aircraft, Engines or Parts as defined under any Lease thereof (other than liens or encumbrances created by the relevant lessor); (iv) any lien created by or through or arising from debt or liabilities or any act or omission of any Lessee in each case either in contravention of the relevant Lease (whether or not such Lease has been terminated) or without the consent of the relevant lessor (provided that if such lessor becomes aware of any such lien, it shall use commercially reasonable efforts to have any such lien lifted); (v) any head lease, lease, Conditional Sale Agreement or Purchase Option existing on the Closing Date or Aircraft Agreement meeting the requirements of clause (iii) of the second paragraph of Section 5.02(g) hereof; (vi) any lien for air navigation authority, airport tending, gate or handling (or similar) charges or levies; (vii) any lien created in favor of the Issuer, any Issuer Subsidiary or the Security Trustee; (viii) the pledge of up to \$5,500,000 created to secure the obligation of AeroUSA, Inc. under the Facility Agreement dated as of March 28, 1996, between AeroUSA, Inc and Kredietbank (Nederland) NY; and (ix) any other lien not referred to in clauses (i) through (viii) of this paragraph which would not adversely affect the owner's rights and does not exceed the greater of \$2,000,000 in the aggregate for the Portfolio, taken as a whole, or \$250,000 per Aircraft.

Section 5.02(e)

(e) Limitation on Engaging in Business Activities. The Issuer shall not, and shall not permit any Issuer Subsidiary to, engage in any business or activity other than:

[~~.....~~.....]

(iv) engaging in currency and interest rate exchange transactions for the purposes of avoiding, reducing, minimizing, hedging against or otherwise managing the risk of any loss, cost, expense or liability arising, or which may arise, directly or indirect, from any change or changes in any interest rate or currency exchange rate in the price or value of any of the Issuer's or any Issuer Subsidiary's property or assets, within limits determined by the Board from time to time and submitted ~~and agreed to by~~ the Rating Agencies, including but not limited to dealings, whether involving purchases, sales or otherwise, in foreign currency, spot and forward interest rate exchange contracts, forward interest rate agreements, caps, floors and collars, futures, options, swaps and any other currency, interest rate and other similar hedging arrangements and such other instruments as are similar to, or derivatives of, any of the foregoing;

(v) (A) establishing, promoting and aiding in promoting, constituting, forming or organizing companies, syndicates or partnerships of all kinds in any part of the world for the purposes set forth in clause (i) above, (B) acquiring, holding and disposing of shares, securities and other interests in any such company, syndicate or partnership and (C) disposing of shares, securities and other interests in, or causing the dissolution of, ~~any existing subsidiary other than AeroUSA, Inc.~~ any subsidiaries; *provided* that any such disposition which results in the disposition of an Aircraft meets the requirements set forth in Section 5.02(g) hereof; and *provided, further*, that the constitutional documents of any such company, syndicate or partnership shall be substantially similar to, to the extent applicable under applicable local law, those of the Airplanes Group Members on the Closing Date; and

[~~.....~~.....]

Section 5.02(f)

(f) Limitation on Indebtedness. The Issuer shall not, and shall not permit any Issuer Subsidiary to, incur, create, issue, assume, guarantee or otherwise become liable for or with respect to, or become responsible for, the payment of, contingently or otherwise, whether present or future (in any such case, to "incur"), Indebtedness.

For the purposes of this Indenture, "Indebtedness" means, with respect to any Person at any date of determination (without duplication), (i) all indebtedness of such Person for borrowed money, (ii) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (iii) all obligations of such Person in respect of letters of credit or other similar instruments (including reimbursement obligations with respect thereto), (iv) all the obligations of such Person to pay the deferred and unpaid purchase price of property or services, which purchase price is due more than six months after the date of purchasing such property or service or taking delivery and title thereto or the completion of such services, and payment deferrals arranged primarily as a method of raising finance or financing the acquisition of such property or service, (v) all obligations of such Person under a lease of (or other agreement conveying the right to use) any property (whether real, personal or mixed) that is required to be classified and accounted for as a capital lease obligation under U.S. GAAP, (vi) all Indebtedness (as defined in clauses (i) through (v) of this paragraph) of other Persons secured by a lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person, and (vii) all Indebtedness (as defined in clauses (i) through (v) of this paragraph) of other Persons guaranteed by such Person.

Notwithstanding the foregoing, the Issuer and any Issuer Subsidiary may incur each and all of the following: (i) Indebtedness in respect of any Note or Guarantee issued on the Closing Date, (ii) Indebtedness in respect of any Refinancing Notes; *provided* that (A) the Refinancing Certificates corresponding to such Refinancing Notes receive ratings from the Rating Agencies at the close of such Refinancing equal to or higher than those of the class or subclass being refinanced (determined at the date of incurrence), (B) ~~taking into account such Refinancing,~~ the Issuer ~~receives~~ shall have given written notification to the Rating Agency Confirmation Agencies prior to such Refinancing ~~with respect to each class or subclass of Notes Outstanding at such time,~~ (C) such Refinancing does not extend the Remaining Weighted Average Life of any other class or subclass of Notes then Outstanding by more than three months and (D) the net proceeds of any such Refinancing shall be used only to repay the Outstanding Principal Balance of the class or subclass of the Notes being so refinanced; and *provided further* that, in the case of any Refinancing of Notes other than the Soft Bullet Notes, the Remaining Weighted Average Life and Expected Final Payment Date of such Refinancing Notes, determined as of the date of incurrence, does not exceed by more than three months (x) with respect to the Fixed Rate Notes, the Remaining Weighted Average Life or Expected Final Payment Date, as the case may be, of such class or subclass of Notes to be so refinanced, and (y) with respect to the Floating Rate Notes, the Expected Final Payment Date of such class or subclass of Notes to be so refinanced; (iii) Indebtedness in respect of guarantees by the Issuer or any Issuer Subsidiary of any other Airplanes Group Member; *provided* that no such Indebtedness in respect of any Airplanes Group Member other than of the Issuer or any Issuer Subsidiary shall be incurred if it would materially adversely affect the Noteholders; (iv) obligations to each Seller under any Stock Purchase Agreement and the related lease assignment and assumption agreements and the documents related thereto; (v) Indebtedness in respect of any issuance of Future Class E Notes; (vi) Indebtedness under any agreements between the Issuer or any Issuer Subsidiary and any other Airplanes Group Members (each, an "Intercompany Loan"); *provided* that no such Indebtedness incurred in respect of any Airplanes Group Member other than the Issuer or any Issuer Subsidiary shall be incurred if it would materially adversely affect the Noteholders; and (vii) any subordinated, non-interest bearing note in respect of which principal may not be paid while any A-D Note remains Outstanding issued in accordance with the terms of the Tax Sharing Agreement and (viii) Indebtedness in respect of the pledge of up to \$5,500,000 created to secure the obligations of AeroUSA, Inc. under the Facility Agreement dated as of March 28, 1996 between AeroUSA, Inc. and Kredietbank (Nederland) NV.

For the purposes of this Indenture, "guarantee" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness or other obligation of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation of such other Person or (ii) entered into for purposes of assuring in any other manner the obligee of such Indebtedness or other obligation of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part); *provided* that the term "guarantee" shall not include endorsements for collection or deposit in the ordinary course of business. The term "guarantee" when used as a verb has a corresponding meaning.

Section 5.02(i)

(i) Limitation on Consolidation, Merger and Transfer of Assets. The Issuer shall not, and shall not permit any Issuer Subsidiary to, consolidate with, merge with or into, or sell, convey, transfer, lease or otherwise dispose of its property and assets (as an entirety or substantially an entirety in one transaction or in a series of related transactions) to, any other Person, or permit any other Person to merge with or into the Issuer or any Issuer Subsidiary, unless (i) the resulting entity is a special purpose corporation, the charter of which is substantially similar to the Airplanes Trust Agreement or the equivalent charter document of such Issuer Subsidiary, as the case may be, and, after such consolidation, merger, sale, conveyance, transfer, lease or other disposition, payments from such resulting entity to the Noteholders do not give rise to any withholding tax payments less favorable to the Noteholders than the amount of any withholding tax payments which would have been required had such event not occurred, (ii) in the case of any consolidation, merger or transfer by the Issuer, the surviving successor or transferee entity shall expressly assume all of the obligations of the Issuer under this Indenture, the Notes and each other Relevant Document to which the Issuer is then a party, (iii) the ~~Board~~ Issuer shall have ~~obtained a Rating Agency Confirmation with respect to~~ given prior written notification to the Rating Agencies of such merger, sale, conveyance, transfer, lease or disposition, (iv) immediately after giving effect to such transaction, no Event of Default shall have occurred and be continuing and (v) the Issuer delivers to the Indenture Trustee an Officer's Certificate and an opinion of counsel, in each case stating that such consolidation, merger or transfer and such supplemental indenture comply with the above criteria and, if applicable, Section 5.02(g) hereof and that all conditions precedent provided for herein relating to such transaction have been complied with; provided that this covenant shall not apply to any such consolidation, merger, sale, conveyance, transfer, lease or disposition (a) within and among the Issuer and any Issuer Subsidiary and any other Airplanes Group Member if such consolidation, merger, sale, conveyance, transfer, lease or disposition, as the case may be, would not materially adversely affect the Noteholders, (b) complying with the terms of Section 5.02(g) hereof or (c) effected as part of a single transaction providing for the redemption or defeasance of the Airplanes Group Notes in accordance with Section 3, 10 or Article XI, respectively, hereof.



Section 5.02(1)

(1) Bankruptcy and Insolvency; Corporate Governance. The Issuer (i) shall promptly provide the Indenture Trustee and the Rating Agencies with notice of the institution of any proceeding by or against the Issuer or any Issuer Subsidiary, as the case may be, seeking to adjudicate any of them a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of their debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee or other similar official for either or for any substantial part of their property and (ii) shall not, without an affirmative unanimous written resolution of the Board and ~~receipt of prior written notification to the~~ Rating ~~Agency~~ ~~Confirmation~~ Agencies, take any action to waive, repeal, amend, vary, supplement or otherwise modify its charter documents and any company formed by the Issuer or any Issuer Subsidiary shall adopt constitutive documents substantially similar to, to the extent applicable under applicable local law, those of the Airplanes Group Members on the Closing Date.

Section 5.03(a)

Operating Covenants. The Issuer covenants with the Indenture Trustee as follows:

(a) Concentration Limits. ~~Unless the Board obtains Rating Agency Confirmation, the~~The Issuer shall not permit any Issuer Subsidiary to lease or re-lease any Aircraft if entering into such proposed Lease would cause the Portfolio to exceed any of the Concentration Limits set forth in Exhibit F hereto (as such limits may be adjusted by the Issuer from time to time, subject to prior written notification to the Rating Agencies) (the "Concentration Limits"); *provided* that the Issuer and any Issuer Subsidiary shall be entitled to renew or extend any Lease to the existing Lessee thereunder and to sell, transfer or otherwise dispose of, any Aircraft irrespective of the effect of any such ~~renewal or extension~~transaction on the Concentration Limits. The Issuer shall not permit any Issuer Subsidiary to lease or re-lease any Aircraft operated or to be operated by a Lessee domiciled in a jurisdiction set forth in Exhibit F hereto ~~and~~ (as such Exhibit may be amended from time to time ~~upon the approval of~~by the Issuer, subject to prior written notification to the Rating Agencies) ~~as~~under the heading "Prohibited Countries".

Section 5.03(h)

(h) Insurance. The Issuer shall maintain or cause, directly or indirectly through the Issuer Subsidiaries, to be maintained with reputable and responsible insurers or with insurers that maintain relevant reinsurance with reputable and responsible reinsurers (i) airline hull insurance for each Aircraft in an amount at least equal to the ~~Note Target Price~~ most recent appraised Base Value for such Aircraft (or the equivalent thereof from time to time if such insurance is denominated in a currency other than U.S. dollars), (ii) airline liability insurance for each Aircraft and occurrence in an amount at least equal to the relevant amount set forth on Exhibit H hereto for each model of aircraft and (iii) airline political risk insurance (“PRI”) for each Aircraft subject to a lease and habitually based in a jurisdiction determined in accordance with the PRI Guidelines as set forth on Exhibit H hereto and as amended from time to time by the Board of the Issuer, in an amount at least equal to the ~~Note Target Price~~ most recent appraised Base Value (or the equivalent thereof from time to time if such insurance is denominated in a currency other than U.S. dollars) for such Aircraft; *provided, however*, that with respect to any insurance for any Aircraft, such insurance may be subject to (x) deductibles and self-insurance in an amount not exceeding \$10,000,000 in the aggregate in respect of any one occurrence in respect of such Aircraft that is subject to a Lease (or sale agreement) with any Lessee (or purchaser) whose long-term unsecured debt obligations are rated not less than A, or the equivalent, by at least one of the Rating Agencies, or (y) commercially reasonable deductible and self-insurance arrangements, (taking into account, *inter alia*, the creditworthiness and experience of the Lessee, if any, the type of aircraft and market practices in the aircraft insurance industry generally). Apart from the matters covered by the preceding sentence, the coverage and terms (including endorsements) of any insurance maintained (a) with respect to any Aircraft not subject to a Lease shall be substantially consistent with the commercial practices of leading international aircraft operating lessors regarding similar aircraft and (b) with respect to any Aircraft subject to a Lease, shall be substantially consistent with the relevant provisions of such Lease.

In determining the amount of insurance required to be maintained by this Section 5.03(h), the Issuer may take into account any indemnification from, or insurance provided by, any governmental, supranational or inter-governmental authority or agency (other than, with respect to PRI, any governmental authority or agency of any jurisdiction for which PRI must be obtained), the sovereign foreign currency debt of which is rated AA, or the equivalent, by at least one of the Rating Agencies, against any risk with respect to an Aircraft at least in an amount which, when added to the amount of insurance against such risk maintained by the Issuer (or which the Issuer has caused to be maintained), shall be at least equal to the amount of insurance against such risk otherwise required by this Section 5.03(h) (taking into account self-insurance permitted by this Section 5.03(h)). Any such indemnification or insurance provided by such government shall provide substantially similar protection as the insurance required by this Section 5.03(h). The Issuer shall not be required to maintain (or to cause to be maintained) any insurance otherwise required hereunder to the extent that such insurance is not generally available in the relevant insurance market from time to time.

Section 9.05(a)

Swap Providers. (a) The Issuer may enter into one or more Swap Agreements from time to time; provided, however, that, at the time that the Issuer enters into a Swap Agreement with such Swap Provider, (i) the short-term unsecured debt obligations of each Swap Provider must be rated A-1 or higher by Standard & Poor's and (ii) the long-term unsecured debt obligations of such Swap Provider must be rated A2 or higher by Moody's , unless (x) the obligations of such Swap Provider under the Swap Agreement to which it is a party are guaranteed pursuant to a guarantee (each, a "Swap Guarantee") by a Person whose short- and long-term unsecured debt obligations are so rated or (y) a majority of the Board shall have otherwise approved the entry into such Swap Agreement with such Swap Provider and the Issuer shall have ~~received~~given prior written notification to the Rating ~~Agency Confirmation~~Agencies in respect of entry into such Swap Agreement, and provided, further, that as a condition to entering any such Swap Agreement, each Swap Provider must have agreed to be bound by Section 3.08 and Article X hereof.

Section 11.02.

Conditions to Defeasance. The Issuer may exercise its legal defeasance option or its covenant defeasance option only if:

(a) the Issuer irrevocably deposits in trust in the Defeasance/Redemption Account any one or any combination of (A) money, (B) obligations of, and supported by the full faith and credit of, the U.S. Government (“U.S. Government Obligations”) or (C) obligations of corporate issuers (“Corporate Obligations”) (*provided* that any such Corporate Obligations are rated AA +, or the equivalent, or higher, by the Rating Agencies at such time and shall not have a maturity of longer than three years from the date of defeasance) for the payment of all principal, Premium, if any, and interest (i) on the Notes or any class or subclass of Notes being defeased, in the case of legal defeasance, or (ii) on all of the Notes in the case of covenant defeasance, in either case, to maturity or redemption, as the case may be;

(b) the Issuer delivers to the Indenture Trustee a certificate from a nationally recognized firm of independent accountants expressing their opinion that the payments of principal and interest when due and without reinvestment on the deposited U.S. Government Obligations or the Corporate Obligations plus any deposited money without investment will provide cash at such times and in such amounts as will be sufficient to pay principal and interest when due (i) on the Notes or any class or subclass of Notes being defeased, in the case of legal defeasance, or (ii) on all of the Notes in the case of covenant defeasance, in either case, to maturity or redemption, as the case may be;

(c) 91 days pass after the deposit described in clause (1) above is made and during the 91-day period no Event of Default specified in Section 4.01(f) or (g) with respect to the Issuer occurs which is continuing at the end of the period;

(d) the deposit described in clause (1) above does not constitute a default under any other agreement binding on the Issuer;

(e) the Issuer delivers to the Indenture Trustee an opinion of counsel to the effect that the trust resulting from the deposit described in clause (1) does not constitute, or is qualified as, a regulated investment company under the Investment Company Act of 1940, as amended;

(f) in the case of the legal defeasance option, the Issuer shall have delivered to the Indenture Trustee an opinion of counsel stating that (i) the Issuer has received from, or there has been published by, the U.S. Internal Revenue Service a ruling, or (ii) since the date of this Indenture there has been a change in the applicable federal income tax law, in either case to the effect that, and based thereon such opinion of counsel shall confirm that, the Noteholders will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such legal defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such legal defeasance had not occurred;

(g) in the case of the covenant defeasance option, the Issuer shall have delivered to the Indenture Trustee an opinion of counsel to the effect that the Noteholders will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such covenant defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such covenant defeasance had not occurred;

(h) if the related Certificates are then listed on any securities exchange, the Issuer delivers to the Indenture Trustee an opinion of counsel to the effect that such deposit, defeasance and discharge will not cause such Certificates to be delisted;

(i) the Issuer has ~~obtained a Rating Agency Confirmation relating to~~ given prior written notification to the Rating Agencies regarding the defeasance contemplated by this Section 11.02; and

(j) the Issuer delivers to the Indenture Trustee an Officer's Certificate and an opinion of counsel, each stating that all conditions precedent to the defeasance and discharge of the Notes as contemplated by this Article XI have been complied with.

Any questions concerning the terms of the Consent Solicitation may be directed to the Solicitation Agent.

*The Solicitation Agent for the Consent Solicitation is:*

JEFFERIES & COMPANY

The Metro Center  
One Station Place, Three North  
Stamford, CT, 06902  
United States of America

*Call direct: +1-203-363-8285  
Attn: Mr. Evan Wallach  
Managing Director  
ewallach@Jefferies.com*

Fax: +1-203-724-3545

*Call direct: +1-203-363-8286  
Attn: Mr. James Palen  
Managing Director  
jpalen@Jefferies.com*

Fax: +1-203-724-1924

*The Tabulation Agent and the Information Agent for the Consent Solicitation is:*

GBR INFORMATION SERVICES, INC.

230 East 48<sup>th</sup> Street  
New York, NY 10017  
United States of America

*Call direct: +1-212-644-1772  
Attn: Mr. John Baxter*

Fax: +1-212-937-3653

**Consent Forms and any required proxies may be sent by registered or certified mail, hand delivery, overnight courier or facsimile (confirmed by telephone) to the address listed immediately above for the Tabulation Agent. Consent Forms and any required proxies must be delivered to the Tabulation Agent at the address or fax number (and telephone number for confirmation) for the Tabulation Agent set forth immediately above.**

Any requests for assistance in filling out and delivering Consents or requests for additional copies of this Consent Solicitation Statement, the Consent Form or the Instruction Form for Beneficial Owners may be directed to the Information Agent. A Holder of Certificates may also contact such Holder's broker, dealer, commercial bank or trust company or nominee for assistance concerning the Consent Solicitation.