Lessee, and regardless of where the Aircraft may then be located during the Term, or (d) any transaction, approval, or document contemplated by this Lease or given or entered into in connection herewith; provided, however, that at such times as Lessee satisfies its indemnification obligation to Lessor hereunder with respect to any such Claims, Lessee shall be subrogated to all rights and remedies which the applicable Indemnitee may have to any such Claims

(b) Exceptions. Notwithstanding the foregoing provisions of this Section 13, Lessee shall not be obligated to make any payment by way of indemnity in respect of any Claims against an Indemnitee:

(i) which result directly from the gross negligence or willful misconduct of such Indemnitee; or

(ii) which result directly from acts or events which occur after the Aircraft has been redelivered to Lessor in accordance with Section 16 hereof and is no longer subject to this Lease; or

(iii) which result directly from a breach by such Indemnitee of its obligations under this Lease or any related agreement; or

(iv) which result directly from any act of or claim against any Indemnitee that is unrelated to the transactions contemplated by or permitted under this Lease; or

(v) which result directly from acts or events which occurred prior to the Delivery Date unless such Claims arise out of the Agreed TWA Modifications and Bridging Work or the process of contracting for, effecting and paying for the Agreed TWA Modifications and Bridging Work in respect of the Aircraft and the related Escrow Agreement as contemplated by the Letter Agreement; or

(vi) which result from Taxes, whether or not the Lessee is required to indemnify therefor pursuant to Section 10; or

(vii) which result from a cost or expense for which Lessor or any any other Indemnitee is responsible pursuant to this Lease or the Letter Agreement.

(c) After Tax Basis of Payments. Notwithstanding anything in Section 10(c) to the contrary, Lessee further agrees that, with respect to any payment or indemnity under this Section 13, such payment or indemnity shall include any amount necessary to hold the recipient of the payment or indemnity harmless on an after-tax basis from all Taxes (including Remittance Withholding, if any) actually required to be paid (or in the case of Remittance Withholding, withheld) by such recipient with respect to such payment or indemnity (after taking into account

any reduction in such Taxes actually realized by such Indemnitee (whether such reduction in such Taxes results from deduction, credit or otherwise) attributable to the Claim giving rise to such payment or indemnity) so that such recipient shall receive an amount which, net of any Taxes (including Remittance Withholding, if any) required to be paid (or in the case of Remittance Withholding, withheld) by such recipient in respect of such amount (after taking into account any reduction in such Taxes actually realized by such Indemnitee (whether such reduction in such Taxes results from deduction, credit or otherwise) attributable to the Claim giving rise to such payment or indemnity) shall be equal to the amount of payment or indemnity otherwise required hereunder. Any subsequent increase in Taxes attributable to any reduction in such recipient's deductions, credits, or other tax benefits in respect of the payment or accrual of the amount indemnified against shall be treated as a Tax that is indemnifiable under this Section without regard to the exclusions set forth in Section 10(c) above. If any Indemnitee shall actually realize (as determined in good faith by the relevant Indemnitee) a reduction in Taxes by reason of the payment of any Claim indemnified by Lessee pursuant to this Section 13 (whether such tax reduction shall result from a deduction, credit or otherwise) and not otherwise taken into account in computing a payment or indemnity by Lessee hereunder, such Indemnitee shall pay to Lessee an amount equal to such reduction in Taxes plus any reduction in Taxes actually realized by such Indemnitee as a result of such payment; provided, that such Tax Indemnitee shall not be required to make any payment pursuant to this sentence if and so as long as a Default or Event of Default is continuing. Any subsequent increase in Taxes attributable to any reduction in such Indemnitee's deductions, credits or other tax benefits taken into account pursuant to the previous sentence shall be treated as a Tax indemnifiable under Section 10(b) without regard to the provisions of Section 10(c). Each Indemnitee shall in good faith use reasonable diligence in filing its tax returns and in dealing with taxing authorities to seek and claim any tax benefit under Taxes not required to be indemnified by Lessee hereunder which would reduce the amount of any indemnity payment required pursuant to this Section 13; in addition, at Lessee's sole cost and expense, each Indemnitee shall take such lawful actions as Lessee may in good faith request to seek and claim any tax benefit under Taxes required to be indemnified by Lessee hereunder which would reduce the amount of any indemnity payment required pursuant to this Section 13.

(d) Payments. It is the intent of this Section 13 that Lessee shall pay all indemnified claims when due taking into account any contest permitted hereby. If an Indemnitee is required to pay any indemnified claim, and seek reimbursement from Lessee, any amount payable as an indemnity to any Indemnitee by Lessee pursuant to this Section 13 is to be paid to such party directly, in immediately available funds, by bank wire transfer at such bank or to such account as specified by the payee in written directions to the payor, or, if such directions shall not have been given, by check of the payor payable to the order of the payee and mailed to the payee by certified mail, postage prepaid at its address as set forth in this Lease on demand.

(e) Notice, Contest and Refund. The following shall apply to all claims for indemnity under this Section 13:

(i) If an officer of an Indemnitee with responsibility for matters relating to this Lease has actual knowledge of written claim, relating to any liability hereby indemnified against, being made against such Indemnitee, such Indemnitee shall give prompt written notice thereof to Lessee; provided, however, that the failure of an Indemnitee to give such notice shall not relieve Lessee of its obligations hereunder. Any payment made by Lessee to an Indemnitee pursuant to Section 13 shall not be deemed to be a waiver or release of any right or remedy (including any remedy of damages) Lessee may have against such Indemnitee if, as a result of the failure by an Indemnitee to give Lessee notice in accordance with the preceding sentence, Lessee is prejudiced in any material respect in the exercise of its rights to contest the Claims indemnified against pursuant to this Section 13(e) or to the extent such failure results in the imposition of increased liabilities.

(ii) Each Claim against an Indemnitee by a third party shall, if reasonably requested by Lessee, be contested by the Indemnitee in good faith by appropriate proceedings, provided that Lessee shall indemnify such Indemnitee in full in respect of any reasonable out-of-pocket fees, costs or expenses actually incurred by such Indemnitee in conducting such contest. The Indemnitee shall keep the Lessee informed concerning any such contest and shall give the Lessee an opportunity to consult on the manner of contest. Lessee shall be entitled to assume responsibility for and control of the defense of any Claim in respect of which any Indemnitee makes or intends to make a claim against Lessee for indemnity pursuant to this Section 13, provided that (i) Lessee acknowledges its obligation to indemnify in respect of such Claim to the extent the contest is unsuccessful; (ii) the legal counsel retained by Lessee for such purpose is reasonably acceptable to Lessor and (iii) Lessee pursues such contest diligently and in good faith and, upon the reasonable request of Lessor, provides Lessor with reasonable details of the status of the contest and copies of all legal briefs, court filings and, subject to applicable considerations of legal privilege, counsel's memoranda relevant to such contest. In the event that Lessee fails to comply with the foregoing requirements in any material respect, the applicable Indemnitee

may, if such failure continues after such Indemnitee has given Lessee a reasonable opportunity to effect the applicable level of compliance, reassume responsibility for and control of the relevant contest, which, in such circumstances, such Indemnitee agrees to pursue diligently and in good faith. To the extent Lessee is entitled to assume responsibility for the control of a defense to any claim hereunder, the Indemnitee shall cooperate in good faith with Lessee and may participate at such Indemnitee's sole cost and expense.

(iii) Each Indemnitee shall supply Lessee with such information in its possession or control as Lessee shall reasonably request to defend or participate in any proceeding permitted by this Section 13.

(iv) Subject to the terms of clauses (i) and (ii) above, no Indemnitee shall enter into a settlement or other compromise or consent to a judgment with respect to any Claim without the prior written consent of Lessee, which consent shall not be unreasonably withheld or delayed, unless such Indemnitee waives its right with respect to such Claims under this Section 13; the entering into any such settlement or compromise or consent without Lessee's prior written consent shall constitute a waiver by such Indemnitee of all its rights of indemnification hereunder in respect of such matter.

(v) If any Indemnitee shall obtain a recovery of all or any part of any amount which Lessee shall have paid to such Indemnitee or for which Lessee shall have reimbursed such Indemnitee pursuant to this Section 13, such Indemnitee shall promptly pay or cause to be paid to Lessee an amount equal to such recovery.

(f) Survival. All of the obligations of Lessee under this Section 13 shall survive the assignment, expiration or other termination of this Lease. Such obligations are expressly undertaken by Lessee for the benefit of, and shall be enforceable by, Lessor and each other Indemnitee. The obligations of Lessee in respect of all such indemnities, obligations, adjustments and payments shall be enforceable by, any Indemnitee, without declaring this Lease to be in default or taking other action thereunder.

Section 14. Liens.

LESSEE SHALL NOT DIRECTLY OR INDIRECTLY CREATE, INCUR, ASSUME OR SUFFER TO EXIST ANY LIEN ON OR WITH RESPECT TO THE AIRCRAFT, ANY ENGINE OR ANY PART, TITLE THERETO OR ANY INTEREST THEREIN, EXCEPT (a) THE RESPECTIVE RIGHTS OF LESSOR AND LESSEE AS HEREIN PROVIDED; (b) LESSOR'S LIENS WITH RESPECT TO THE AIRCRAFT, ANY ENGINE OR ANY PART; (c) LIENS FOR TAXES EITHER NOT YET DUE OR BEING CONTESTED IN ACCORDANCE WITH SECTION 10 HEREOF AND SO LONG AS ADEQUATE RESERVES ARE MAINTAINED WITH RESPECT TO SUCH LIENS; AND (d) INCHOATE MATERIALMEN'S, MECHANICS', WORKMEN'S, REPAIRMEN'S, EMPLOYEES', AIRPORT OPERATORS' OR OTHER LIKE LIENS ARISING IN THE ORDINARY COURSE OF BUSINESS, WHICH EITHER ARE NOT DELINQUENT OR ARE BEING CONTESTED IN GOOD FAITH BY LESSEE, SO LONG AS THE AIRCRAFT, SUCH ENGINE OR SUCH PART IS NOT IN DANGER OF BEING LOST, SOLD, CONFISCATED, FORFEITED OR SEIZED AS A RESULT OF ANY SUCH LIEN. LESSEE SHALL PROMPTLY, AT ITS OWN EXPENSE, DULY DISCHARGE ANY LIEN (EXCEPT FOR THE LIENS REFERRED TO IN CLAUSES (a) AND (b) OF THIS SECTION 14) IF THE SAME SHALL ARISE AT ANY TIME WITH RESPECT TO THE AIRCRAFT, ANY ENGINE OR ANY PART.

Section 15. Perfection of Title and Further Assurances.

If at any time any filing or recording is reasonably necessary to protect the interest of Lessor or the Indenture Trustee, Lessee, at its own cost and expense, shall cause this Lease, and any financing statements with respect to either thereof, and any and all additional instruments which shall be executed pursuant to the terms hereof or thereof (including, without limitation, those referred to in Section 2(b)(3) hereof), to be kept, filed and recorded and to be re-executed, refiled and re-recorded in the appropriate office or offices pursuant to applicable Laws, to perfect, protect and preserve the rights and interests of Lessor in the Aircraft, including without limitation the right of the Lessor to repossess, and export from any country the Aircraft, the Engines and the Parts if the Lease has been declared, or is deemed by its terms to have been declared in default. At the reasonable request of Lessor, Lessee shall furnish to Lessor an opinion of counsel or other evidence satisfactory to Lessor of each such filing or refiling and recordation or rerecordation.

Without limiting the foregoing, Lessee shall do or cause to be done, at Lessee's cost and expense, any and all acts and things which may be required under the terms of the Mortgage Convention (or in the case where such jurisdiction is not a signatory to the Mortgage Convention, under the internal laws of such jurisdiction) to perfect and preserve the title and interest of Lessor in the Aircraft within any jurisdiction in which Lessee or any Permitted

Sublessee may operate the Aircraft, as Lessor may reasonably request. Lessee shall also do or cause to be done, at its own expense, any and all acts and things which may be required under the terms of any other Law involving any jurisdiction in which Lessee (or any Permitted Sublessee) may operate, or any and all acts and things which Lessor may reasonably request, to perfect and preserve Lessor's ownership rights regarding the Aircraft within any such jurisdiction.

Lessee agrees to cooperate at the Lessor's expense with any filings which require Lessee's cooperation necessary or advisable to perfect and preserve the interest of the Indenture Trustee in the Aircraft and this Lease.

In addition, Lessee, at Lessor's expense, will promptly and duly execute and deliver to Lessor such further documents and assurances and take such further actions as Lessor may from time to time reasonably request in order to carry out more effectively the intent and purpose of this Lease and to establish and protect the rights and remedies created or intended to be created in favor of Lessor hereunder, including without limitation, if reasonably requested by Lessor, the execution and delivery of supplements or amendments hereto in recordable form, subjecting to this Lease any Replacement Engine and the recording or filing of counterparts thereof, in accordance with the laws of any appropriate jurisdiction.

Section 16. Return of Aircraft and Records.

(a) Return. On the expiration or earlier termination of the Term or at such other time as Lessee shall be required to return the Aircraft to Lessor pursuant to the terms hereof, Lessee, at its own expense, shall return the Aircraft to Lessor at the location specified as "Return Location" set forth on Exhibit C hereto, fully equipped with all required Parts and Engines, duly installed thereon and with all Aircraft Documents which shall be complete and in the condition required hereby and acceptable to Lessor, by delivering the same to Lessor at such location. Until the Lessee shall have complied in full with its obligations under this Section 16, the Lessee shall be obligated to continue to perform its obligations under this Lease, including, without limitation, the obligation to pay Rent and maintain insurance coverages as though the Term had been extended. Lessor shall be responsible for securing all export and import permits required to effect such redelivery and for the payment of all duties incident thereto.

(b) Legal Status Upon Return. Immediately prior to the Return Occasion, the Lessee shall assure that: (i) the Aircraft, Engines and Parts shall be free and clear of all Liens, except Lessor's Liens; (ii) the Aircraft shall be duly certified as an airworthy aircraft by the GAA and if, at the request of Lessee, the Aircraft was theretofore immediately prior to the end of the Term of this Lease registered in a country other than the United States, a valid certificate of airworthiness for export issued by the GAA shall be installed on the Aircraft; (iii) if, at the request of Lessee, the Aircraft was immediately prior to the end of the Term of this Lease registered with the FAA, the Aircraft shall be in full compliance with all Airworthiness

Directives and mandatory regulations requiring compliance by the redelivery date or before the last to occur of 600 hours, 600 cycles or two months after the return date; (iv) if, at the request of Lessee, the Aircraft was immediately prior to the end of the Term of this Lease registered in a country other than the United States, the Aircraft is equipped and in full airworthy condition for operation according to Part 121 required to allow the Aircraft to be operated for commercial transportation of passengers under applicable rules, regulations and Airworthiness Directives, without waiver or restrictions; (v) if, at the request of Lessee, the Aircraft was immediately prior to the end of the Term of this Lease registered in a country other than the United States, the Aircraft is duly deregistered under the applicable Law of the Country of Registration; (vi) the Aircraft is in full compliance with the Maintenance Program and mandatory service bulletins of the Manufacturer, Engine Manufacturer and any Parts manufacturer and has all FAA form 8110 and 8130 certifications; (vii) the Aircraft is in compliance with the requirements of the FAA regulations found at Part 36, Appendix C, Stage III, noise compliance, without waiver or performance restriction; and (viii) the Aircraft shall be in a maintenance status consistent with the requirements of Section 6(d) hereof.

(c) Return of Engines. In the event that any Replacement Engine not owned by Lessor shall be delivered installed on the returned Airframe as set forth in paragraph (a) of this Section 16, Lessee, concurrently with such delivery, will, at no cost to Lessor, furnish, or cause to be furnished, to Lessor a full warranty (as to title) bill of sale with respect to such Replacement Engine, in form and substance satisfactory to Lessor (together with an opinion of counsel to the effect that such full warranty bill of sale has been duly authorized and delivered and is enforceable in accordance with its terms and that such Replacement Engine is free and clear of Liens other than Lessor's Liens), against receipt from Lessor of a bill of sale evidencing the transfer, without recourse or warranty (except as to the Lessor's title and the absence of Lessor's Liens), by Lessor to Lessee or its designee of all of Lessor's right, title and interest in and to an Engine not installed on the Airframe at the time of the return of the Airframe. If any such bill of sale transferring title of an engine to Lessor shall be executed by a Permitted Sublessee, Lessee will guaranty to Lessor the title warranty contained in such bill of sale. Lessee shall also take (or cause any Permitted Sublessee to take) such other action as Lessor may reasonably request in connection with such transfer of any such engine.

(d) Service Bulletin and Modification Kits. At or upon the return of the Aircraft pursuant to this Section 16, Lessee shall deliver to Lessor, at no cost to Lessor, all service bulletin kits furnished without charge by a manufacturer for installation on the Aircraft which have not been so installed together with appropriate instructions for installation. In the event such uninstalled kits were purchased or manufactured by Lessee, then Lessor shall have a right to purchase such kits at Lessee's cost for a period of one hundred eighty (180) days after return.

(e) Condition of Aircraft. Upon the Return Occasion applicable to the Aircraft, Lessee shall assure that the Aircraft shall comply with all of the conditions set forth on Exhibit E hereto.

(f) Final Inspection. Immediately prior to the Return Occasion, Lessee shall make the Aircraft available to Lessor at Lessee's principal maintenance base for detailed inspection, at Lessee's expense, in order to verify that the condition of the Aircraft complies with the requirements set forth above, which inspection shall include, and without limitation, all elements set forth in Exhibit E hereto, (such inspection being hereinafter referred to as the "Final Inspection"). Lessee shall provide Lessor with at least thirty (30) days' prior written notice of the time and place of the Final Inspection. The period allowed for the Final Inspection shall have such duration as to permit the opening of any areas of the Aircraft which are required to be opened to verify satisfaction with the requirements of Exhibit E and shall continue on consecutive days until all activity required above to be conducted during the Final Inspection has been concluded. All storage expenses attributable to any extension of the Term pursuant to the preceding sentence shall be payable by Lessee.

(g) Aircraft Documentation. In order to enable Lessor to prepare for the Final Inspection of the Aircraft pursuant to Section 16(f) above, Lessee agrees to make available to Lessor at the Return Location not later than ten (10) days prior to the commencement of such Final Inspection, the Aircraft Documents together with such other documentation regarding the condition, use, maintenance, operation and history of the Aircraft during Lessee's possession as Lessor may reasonably request.

(h) Corrections and Subsequent Corrections. In the event that the Aircraft or any Engine fails upon the Return Occasion to conform to any return condition requirement imposed by this Lease and particularly Section 16 or Exhibit E, Lessor may (i) continue the obligations of the Lessee under the Lease in effect in the manner provided for in Section 16(a) above until such condition or requirement is met or (ii) accept the return of the Aircraft and thereafter have any such nonconformance corrected or requirement met, at such time as Lessor may deem appropriate at commercial rates then charged by the Person selected by Lessor to perform such correction. Any direct expense incurred by Lessor for such correction shall become Supplemental Rent payable by Lessee within thirty (30) days following the submission of a written statement by Lessor to Lessee, identifying the items corrected and setting forth the expense of such correction. Lessee's obligations to pay such Supplemental Rent shall survive the passage of the Expiration Date or other termination of this Lease.

(i) Additional Maintenance, Repair or Overhaul. Upon the Return Occasion and upon written request of Lessor, for a period of up to ninety (90) days, Lessee shall (subject to the availability to Lessee of facilities and manpower) store and insure the Aircraft and perform such additional maintenance, repair, or overhaul of the Aircraft as is requested by Lessor in the

same manner and with the same care as used for similar aircraft and engines owned by Lessee, provided that Lessor shall reimburse Lessee for its documented direct out-of-pocket costs, without mark-up, for such storage, insurance, maintenance, repair, or overhaul, and such storage and insurance and additional maintenance, repair or overhaul shall not extend this Lease.

(j) Functional Check Flight. Immediately following completion of the Final Inspection and prior to the expiration of the Term a functional check flight of at least one (1) hour and not more than four (4) hours, at Lessor's expense shall be conducted for the Aircraft in accordance with procedures of Lessor's Aircraft Manager. Any deficiencies in the return condition as required in this Lease, which shall be noted during such test flight, shall be corrected at Lessee's expense.

(k) Video Boroscope. The Lessor may conduct a video boroscope inspection of each Engine (hot and cold sections), with any conditions outside the engine manufacturer's maintenance manual operations limit discovered having been noted.

(l) Fuel on Return. On the Return Occasion, Lessee, at its expense, shall return the Aircraft with an amount of fuel that equals or exceeds the amount of fuel in the Aircraft at the Delivery Date.

Section 17. Events of Default.

Any one or more of the following occurrences or events shall constitute an Event of Default:

(a) Lessee shall fail to make any payment of Rent to Lessor when due, in full and in the manner and at the place required under this Lease and such failure shall continue for three (3) Business Days;

(b) Lessee shall fail to obtain and maintain any insurance required under the provisions of Section 12 hereof or shall operate the Aircraft outside of the scope of the insurance coverage maintained with respect to the Aircraft;

(c) Any representation or warranty made by Lessee herein or in any document or certificate furnished Lessor in connection herewith or therewith or pursuant hereto is incorrect in any material respect at the time made;

(d) Lessee shall fail to pay any amount when due under the provisions of Section 20(m) hereof;

(e) Lessee shall fail to accept delivery of the Aircraft as and when required under Section 3 hereof;

(f) Lessee shall fail to comply with its obligations pursuant to Sections 8, 9, 14 or 15 hereof as and when required;

(g) Lessee shall make or permit any unauthorized assignment or transfer of this Lease, or any interest therein, or of the right to possession of or operational control over the Aircraft, the Airframe, any Engine or any Part;

(h) Lessee shall fail to perform or observe any other covenant, condition or agreement to be performed or observed by it pursuant to this Lease and such failure shall continue for a period of thirty (30) days after written notice thereof is given by Lessor to Lessee;

(i) The occurrence of an Event of Default (as defined therein) under any of the Related Leases;

(j) Lessee consents to the appointment of a receiver, trustee or liquidator of itself or of a substantial part of its property, or Lessee admits in writing its inability to pay its debts generally as they come due, or makes a general assignment for the benefit of creditors, or Lessee files a voluntary petition in bankruptcy or a voluntary petition seeking reorganization in a proceeding under any bankruptcy laws (as now or hereafter in effect), or an answer admitting the material allegations of a petition filed against Lessee in any such proceeding, or Lessee by voluntary petition, answer or consent seeks relief under the provisions of any bankruptcy or other similar law providing for the reorganization or winding-up of corporations, or provides for an agreement, composition, extension or adjustment with its creditors;

(k) An order, judgment or decree is entered by any court, with or without the consent of Lessee, appointing a receiver, trustee or liquidator for Lessee or of all or any substantial part of its property, or all or any substantial part of the property of Lessee is sequestered, and any such order, judgment or decree of appointment or sequestration remains in effect, undismissed, unstayed or unvacated for a period of thirty (30) days after the date of entry thereof;

(l) A petition against Lessee in a proceeding under the bankruptcy, insolvency or other similar Laws (as now or hereafter in effect) of any Governmental Entity is filed and is not withdrawn or dismissed within thirty (30) days thereafter, or if, under the provisions of any Law providing for reorganization or winding-up of corporations which may apply to Lessee, any court of competent jurisdiction assumes jurisdiction over, or custody or control of, Lessee or of all or any substantial part of its property and such jurisdiction, custody or control remains in effect, unrelinquished, unstayed or unterminated for a period of thirty (30) days;

(m) A final judgment for the payment of money not covered by insurance in excess of Ten Million U.S. Dollars ($10,000,000), (or an equivalent amount in any currency other than Dollars) or final judgments for the payment of money not covered by insurance in excess of Ten Million U.S. Dollars ($10,000,000) (or an equivalent amount in any currency other than Dollars) in the aggregate, shall be rendered against Lessee and the same shall remain undischarged for a period of thirty (30) days during which execution thereof shall not be effectively stayed by agreement of the parties involved, stayed by court order or adequately bonded;

(n) Attachments or other Liens shall be issued or entered against any substantial portion of the property of Lessee and shall remain undischarged or unbonded for thirty (30) days except for security interests created in connection with monies borrowed or obligations agreed to by Lessee in the ordinary course of its business;

(o) Lessee shall default in the payment of any obligation for the payment of borrowed money, for the deferred purchase price of property or for the payment of rent or hire under any lease of aircraft which has a principal amount of Ten Million U.S. Dollars ($10,000,000) (or an equivalent amount in any currency other than Dollars) or more (determined in the case of borrowed money by the amount outstanding under the agreement pursuant to which such borrowed money was borrowed, in the case of a deferred purchase price by the remaining balance and in the case of a lease by the present discounted value of the remaining rent or hire payable thereunder (ignoring any fair market renewal)) when the same becomes due if such nonpayment results in the right of such holder to accelerate such indebtedness or any lessor shall have become entitled to require the payment of any termination, stipulated loss, liquidated damages or similar amount or to demand repossession of such property; or Lessee shall default in the performance of any other term, agreement or condition contained in any material agreement or instrument under or by which any such obligation is created, evidenced or secured, if the effect of such default is to cause or allow such obligation to become due prior to its stated maturity;

(p) Lessee voluntarily suspends all or substantially all of its airline operations or all or substantially all of the franchises, concessions, permits, rights or privileges required for the conduct of the business and operations of Lessee are revoked, cancelled or otherwise terminated;

(q) Any franchise, concession, permit, right, privilege or approval from any Governmental Entity necessary for the operation, maintenance, use, insurance or return of the Aircraft or for the payment of Rent by Lessee in Dollars as specified herein shall be suspended, terminated or cancelled, or Lessee shall fail to obtain any such hereafter required for such operation, maintenance, use, insurance, return or payment; and such suspension, termination,

cancellation or failure is likely to have a material adverse effect on Lessee's ability to perform its obligations hereunder.

(r) Any Government Entity with jurisdiction over Lessee or any Permitted Sublessee or any agency or instrumentality thereof declares a moratorium in respect of the payment of any obligations of Lessee or any Permitted Sublessee or repudiates any such obligations;

(s) There shall be due and owing (other than Lessor's Liens) any claims which under applicable law in the Country of Registration (including the Mortgage Convention), would be secured by a Lien on the Aircraft, any Engine or any Part or which would be required to be repaid as a condition to deregistration of the Aircraft or any Engine and the aggregate of such claims outstanding equals or exceeds Ten Thousand ($10,000) Dollars (or an equivalent amount in any currency other than Dollars); or

(t) Any other material adverse change since the date hereof in the condition of Lessee, financial or other, which is likely to have a material adverse effect on the ability of Lessee to perform its obligations hereunder.

Lessee hereby acknowledges that the occurrence of any one of the foregoing Events of Default would represent a material default in the performance of its obligations under this Lease.

Section 18. Remedies.

Upon the occurrence of any Event of Default and any time thereafter so long as the same shall be continuing, Lessor may, at its option declare this Lease to be in default; provided that, upon the occurrence of any Event of Default specified in paragraphs (j), (k) or (l) of Section 17, the Lease shall automatically be deemed to have been declared in default. Once this Lease has been declared to be in default or is deemed to have been declared in default then, and at any time thereafter, Lessor shall be entitled automatically, as of the day prior to such occurrence, to exercise any of the following remedies as Lessor in its sole discretion shall elect, to the extent permitted by applicable Law then in effect without making demand or giving notice or the taking of any other action:

(a) Require that Lessee, and Lessee shall upon the written request of Lessor and at Lessee's expense, immediately return the Aircraft to Lessor in the manner specified in such notice, in which event such return shall not be delayed for purposes of complying with the return conditions specified in Section 16 hereof (none of which conditions shall be deemed to affect Lessor's possession of the Aircraft) or be delayed for any other reason. Notwithstanding the foregoing, at Lessor's option, Lessee shall be required thereafter to take such actions as would be

required by the provisions of this Lease if the Aircraft were being returned at the end of the Term hereof and Lessor agrees to cooperate with Lessee's required actions. In addition, Lessor, at its option and to the extent permitted by applicable Law, may enter upon the premises where all or any part of the Aircraft is located and take immediate possession of and, at Lessor's sole option, remove the same (and any engine which is not an Engine but which is installed on the Airframe, subject to the rights of the owner, lessor or secured party thereof) by summary proceedings or otherwise, all without liability accruing to Lessor for or by reason of such entry or taking of possession whether for the restoration of damage to property, or otherwise, caused by such entry or taking, except damages caused by gross negligence or willful misconduct;

(b) Sell at private or public sale, as Lessor may determine, or hold, use, operate or lease to others the Aircraft as Lessor in its sole discretion may determine, all free and clear of any rights to Lessee;

(c) Whether or not Lessor shall have exercised, or shall thereafter at any time exercise, any of its rights under paragraph (a) or paragraph (b) of this Section 18, Lessor, by fifteen (15) days' written notice to Lessee specifying a payment date, may demand that Lessee pay to Lessor, and Lessee shall pay to Lessor, on the payment date specified in such notice, as liquidated damages for loss of bargain and not as a penalty (in lieu of Base Rent payable for the period commencing after the date specified for payment in such notice), any unpaid Base Rent for the Aircraft (prorated on a daily basis) to and including the payment date specified in such notice, plus accrued interest thereon to the date specified for payment in such notice, plus the amount, if any, by which the aggregate Base Rent for the remainder of the Term, discounted periodically (equal to installment frequency) to present worth as of the payment date using the Treasury Rate as of such date, exceeds the Fair Market Rental Value (determined pursuant to the Appraisal Procedure) of the Aircraft for the remainder of the Term, after discounting such Fair Market Rental Value periodically (equal to installment frequency) to present worth as of the payment date specified in such notice using the Treasury Rate as of such date;

(d) In the event that Lessor, pursuant to Section 18(b) above, shall have relet the Aircraft under a lease, Lessor, in lieu of exercising its rights under Section 18(c) above with respect to the Aircraft, may, if it shall so elect, demand that Lessee pay Lessor, and Lessee shall pay Lessor, as liquidated damages for loss of bargain and not as a penalty (in lieu of Base Rent, as the case may be, for the Aircraft payable after the time of such reletting (the "Reletting")) any unpaid Base Rent, as the case may be, for the Aircraft payable up to the date of the Reletting, plus accrued interest thereon to the date specified for payment, plus the amount, if any, by which the aggregate Base Rent for the Aircraft, which would otherwise have become due over the Term for the Aircraft determined without regard to the exercise of remedies under this Section (the "Original Term"), discounted periodically (equal to installment frequency) to present worth as of the date of reletting using the Treasury Rate as of such date, exceeds the sum of (i) the aggregate basic rental payments to become due under the reletting from the date of the Reletting to the

earlier of (A) the end of the term of the Reletting and (B) the date upon which the Original Term for the Aircraft would have expired, discounted periodically (equal to installment frequency) to present worth as of the date of the Reletting using the Treasury Rate as of such date and (ii) an estimate of the Fair Market Rental Value of the Aircraft for the period, if any, commencing on the end of the Reletting through the end of the Original Term, discounted periodically (equal to installment frequency) to present worth as of the date of the Reletting using the Treasury Rate as of such date;

(e) Proceed by appropriate court action or actions, either at law or in equity, to enforce performance by Lessee of the applicable covenants of this Lease and to recover damages for the breach thereof and to rescind this Lease; or

(f) Terminate this Lease by written notice (which notice shall be effective upon dispatch) and repossess the Aircraft.

In addition to the foregoing, Lessee shall be liable for any and all unpaid Rent during or after the exercise of any of the aforementioned remedies, together with interest on such unpaid amounts at the Interest Rate, and until satisfaction of all of Lessee's obligations to Lessor hereunder and for all legal fees and other costs and expenses incurred by Lessor by reason of the occurrence of any Event of Default or the exercise of Lessor's remedies with respect thereto, including all costs and expenses incurred in connection with the return of the Aircraft in accordance with the terms of Section 16 hereof or in placing the Aircraft in the condition and with airworthiness certification as required by such Section.

In effecting any repossession, Lessor and its representatives and agents, to the extent permitted by Law, shall: (i) have the right to enter upon any premises where it reasonably believes the Aircraft, the Airframe, an Engine or Part to be located; (ii) not be liable, in conversion or otherwise, for the taking of any personal property of Lessee which is in or attached to the Aircraft, the Airframe, an Engine or Part which is repossessed; provided, however, that Lessor shall return to Lessee all personal property of Lessee or its passengers which was on the Aircraft at the time Lessor re-takes possession of the Aircraft; (iii) not be liable or responsible, in any manner, for any inadvertent damage or injury to any of Lessee's property in repossessing and holding the Aircraft, the Airframe, an Engine or Part, except for that caused by or in connection with Lessor's gross negligence or willful misconduct; (iv) have the right to maintain possession of and dispose of the Aircraft, the Airframe, an Engine or Part on any premises owned by Lessee or under Lessee's control; and (v) have the right to obtain a key to any premises at which the Aircraft, the Airframe, an Engine or Part, may be located from the landlord or owner thereof.

If required by Lessor, Lessee, at its sole expense, shall assemble and make the Aircraft, the Airframe, an Engine or Part available at a place designated by Lessor in accordance with Section 16. Lessee hereby agrees that, in the event of the return to or repossession by

Lessor of the Aircraft, the Airframe, an Engine or Part, any rights in any warranty (express or implied) heretofore assigned to Lessee or otherwise held by Lessee shall without further act, notice or writing be assigned or reassigned to Lessor, if assignable. Lessee shall be liable to Lessor for all expenses, disbursements, costs and fees incurred in (i) repossessing, storing, preserving, shipping, maintaining, repairing and refurbishing the Aircraft, the Airframe, an Engine or Part to the condition required by Section 16 and (ii) preparing the Aircraft, the Airframe, an Engine or Part for sale or lease, advertising the sale or lease of the Aircraft, the Airframe, an Engine or Part and selling or re-leasing the Aircraft, the Airframe, an Engine or Part. Lessor is hereby authorized and instructed, at its option, to make reasonable expenditures which Lessor considers advisable to repair and restore the Aircraft, the Airframe, an Engine or Part to the condition required by Section 16, all at Lessee's sole expense.

No remedy referred to in this Section 18 is intended to be exclusive, but, to the extent permissible hereunder or under applicable Law, each shall be cumulative and in addition to any other remedy referred to above or otherwise available to Lessor at Law or in equity; and the exercise or beginning of exercise by Lessor of any one or more of such remedies shall not preclude the simultaneous or later exercise by Lessor of any or all of such other remedies. No express or implied waiver by Lessor of any Default or Event of Default shall in any way be, or be construed to be, a waiver of any future or subsequent Default or Event of Default.

Section 19. Alienation.

LESSOR SHALL HAVE THE RIGHT AT ITS SOLE COST AND EXPENSE TO ASSIGN, SELL OR ENCUMBER ANY INTEREST OF LESSOR IN THE AIRCRAFT OR THIS LEASE AND/OR THE PROCEEDS HEREOF SUBJECT TO THE RIGHTS OF LESSEE UNDER THE PROVISIONS OF THIS LEASE INCLUDING BUT NOT LIMITED TO THE LESSEE'S RIGHT TO QUIET ENJOYMENT PURSUANT TO SECTION 20(f) HEREOF, PROVIDED, THAT ANY SUCH TRANSACTION SHALL (X) BE STRUCTURED IN A MANNER WHICH WILL PERMIT THE CONTINUED REGISTRY OF THE AIRCRAFT WITH THE FAA WITHOUT RESTRICTION ON THE BASING OR USE OF THE AIRCRAFT, (Y) BE STRUCTURED SO AS NOT TO VIOLATE ANY APPLICABLE LAW (INCLUDING THE ACT); AND (Z) NOT HAVE THE EFFECT GIVEN THE CIRCUMSTANCES EXISTING ON THE DATE OF TRANSFER, OF INCREASING THE RESPONSIBILITIES, OBLIGATIONS OR LIABILITIES OF THE LESSEE UNDER, OR DEPRIVING THE LESSEE OF ANY OF ITS RIGHTS AND PRIVILEGES UNDER, THIS LEASE; AND PROVIDED, FURTHER, THAT NO SUCH SALE OR ASSIGNMENT SHALL RELIEVE LESSOR OF ITS OBLIGATIONS HEREUNDER UNLESS:

(A) LESSOR SHALL HAVE PROVIDED LESSEE WITH WRITTEN NOTICE OF THE PROPOSED TRANSFER AT LEAST FIVE (5) CALENDAR DAYS PRIOR TO THE DATE OF SUCH TRANSFER. THE NOTICE WILL SPECIFY THE NAME AND

ADDRESS OF THE PROPOSED TRANSFEREE AND THE PROPOSED DATE OF THE TRANSFER;

(B) ON THE DATE OF THE TRANSFER, LESSOR AND THE TRANSFEREE SHALL ENTER INTO AN AGREEMENT PURSUANT TO WHICH TRANSFEREE CONFIRMS THAT IT ASSUMES THE OBLIGATIONS AND RESPONSIBILITIES OF LESSOR UNDER THIS LEASE AND THAT THE TRANSFEREE AGREES TO BE BOUND BY ALL OF THE TERMS OF, AND TO UNDERTAKE ALL OF THE OBLIGATIONS OF LESSOR CONTAINED IN THIS LEASE; AND

(C) THE TRANSFEREE WILL PROVIDE LESSEE WITH AN OPINION OF ITS COUNSEL WHICH MAY BE FROM ITS IN-HOUSE COUNSEL WITH RESPECT TO THE LEGALITY, VALIDITY, BINDING EFFECT AND ENFORCEABILITY OF THE AGREEMENTS BETWEEN LESSOR AND THE TRANSFEREE WHICH EFFECT THE ASSUMPTION OF LESSOR'S OBLIGATIONS UNDER THIS LEASE.

TO EFFECT OR FACILITATE ANY SUCH ASSIGNMENT, SALE OR ENCUMBRANCE, LESSEE AGREES TO PROVIDE, AT LESSOR'S SOLE COST AND EXPENSE, SUCH AGREEMENTS, CONSENTS, CONVEYANCES OR DOCUMENTS AS MAY BE REASONABLY REQUESTED BY LESSOR. THE AGREEMENTS, COVENANTS, OBLIGATIONS, AND LIABILITIES CONTAINED HEREIN INCLUDING, BUT NOT LIMITED TO, ALL OBLIGATIONS TO PAY RENT AND INDEMNIFY EACH INDEMNITEE ARE MADE FOR THE BENEFIT OF EACH INDEMNITEE AND THEIR RESPECTIVE SUCCESSORS AND ASSIGNS.

Section 20. Miscellaneous.

(a) Severability and Construction; Headings. Any provision of this Lease which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof; any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by Law, Lessee and/or Lessor hereby waives any provisions of Law which renders any provisions hereof prohibited or unenforceable in any respect. This Lease shall constitute an agreement of lease, and nothing herein shall be construed as conveying to Lessee any right, title or interest in the Aircraft or any Engine or Part except as a lessee only.

(b) Governing Law; Jurisdiction. PURSUANT TO SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK, THIS LEASE SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, UNITED STATES OF AMERICA,

(DETERMINED WITHOUT REGARD TO ITS RULES OF CONFLICT OF LAW) INCLUDING WITHOUT LIMITATION ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE. ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS LEASE SHALL BE BROUGHT IN THE FEDERAL COURTS LOCATED IN THE BOROUGH OF MANHATTAN; PROVIDED, HOWEVER, THAT THIS SHALL NOT LIMIT THE RIGHT OF THE LESSOR TO PROCEED AGAINST LESSEE AS SET FORTH IN THE FOLLOWING SENTENCE. LESSEE HEREBY IRREVOCABLY CONSENTS THAT ANY LEGAL ACTION OR PROCEEDING AGAINST IT OR ANY OF ITS ASSETS WITH RESPECT TO THE LEASE MAY BE BROUGHT IN ANY JURISDICTION WHERE LESSEE OR ANY OF ITS ASSETS MAY BE FOUND, OR IN THE FEDERAL COURTS LOCATED IN THE BOROUGH OF MANHATTAN, OR ALL OF THEM, AS LESSOR MAY ELECT, AND BY EXECUTION AND DELIVERY OF THIS LEASE LESSEE HEREBY IRREVOCABLY SUBMITS TO AND ACCEPTS WITH REGARD TO ANY SUCH ACTION OR PROCEEDINGS, FOR ITSELF AND IN RESPECT OF ITS ASSETS, GENERALLY AND UNCONDITIONALLY, THE NON-EXCLUSIVE JURISDICTION OF THE AFORESAID COURTS. LESSEE HEREBY IRREVOCABLY DESIGNATES, APPOINTS AND EMPOWERS CT CORPORATION SYSTEM, HAVING AN ADDRESS AT 1633 BROADWAY, NEW YORK, NEW YORK 10019 AS ITS AUTHORIZED AGENT FOR SERVICE OF PROCESS IN NEW YORK IN ANY SUIT OR PROCEEDING WITH RESPECT TO THIS LEASE. IF LESSEE DOES NOT TAKE ALL ACTION NECESSARY TO APPOINT CT CORPORATION SYSTEM AS AGENT AS REQUIRED HEREUNDER (INCLUDING PAYMENT OF ANY FEES TO CT CORPORATION SYSTEM IN CONNECTION WITH SUCH APPOINTMENT), LESSEE HEREBY APPROVES ANY AND ALL OF LESSOR'S ACTIONS IN CONFIRMING CT CORPORATION SYSTEM'S APPOINTMENT AS AGENT FOR LESSEE AS SET FORTH IN THIS SECTION. ANY SERVICE ON SUCH AGENT SHALL BE GOOD SERVICE OF PROCESS IN THE UNITED STATES. A COPY OF ANY SUCH PROCESS SERVED ON SUCH AGENT SHALL BE PROMPTLY FORWARDED BY AIRMAIL BY THE PERSON COMMENCING SUCH PROCEEDING TO LESSEE AT ITS ADDRESS SET FORTH ON EXHIBIT C HERETO BUT THE FAILURE OF LESSEE TO RECEIVE SUCH COPIES SHALL NOT AFFECT IN ANY WAY THE SERVICE OF SUCH PROCESS AS AFORESAID. LESSEE FURTHER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OUT OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED AIR MAIL, POSTAGE PREPAID, TO LESSEE AT ITS ADDRESS SET FORTH ON EXHIBIT C HERETO. THE FOREGOING, HOWEVER, SHALL NOT LIMIT THE RIGHTS OF LESSOR TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO BRING ANY LEGAL ACTION OR PROCEEDING OR TO OBTAIN EXECUTION OF JUDGMENT IN ANY JURISDICTION. LESSEE FURTHER AGREES THAT FINAL JUDGMENT AGAINST LESSEE IN ANY ACTION OR PROCEEDING IN CONNECTION WITH THIS LEASE SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN ANY OTHER

JURISDICTION WITHIN OR OUTSIDE THE UNITED STATES OF AMERICA BY SUIT ON THE JUDGMENT, A CERTIFIED OR EXEMPLIFIED COPY OF WHICH SHALL BE CONCLUSIVE EVIDENCE OF THE FACT AND THE AMOUNT OF LESSEE'S INDEBTEDNESS. LESSEE HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH LESSEE MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS LEASE BROUGHT IN THE ABOVE REFERENCED COURTS; AND HEREBY FURTHER IRREVOCABLY WAIVES ANY CLAIM THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN THE ABOVE REFERENCED COURTS HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(c) Notices. All notices required under the terms and provisions hereof shall be in writing, shall be sent to Lessor or Lessee at their respective addresses set forth on Exhibit C hereto (or such other addresses as the parties may designate from time to time in writing) and, except as otherwise provided herein, such notice shall become effective upon the earlier of actual receipt or the fifth day following the date such notice is sent.

(d) Lessor's Right to Perform for Lessee. If Lessee fails to make any payment of Supplemental Rent required to be made by it hereunder or fails to perform or comply with any of the covenants, agreements or obligations contained herein, Lessor shall have the right but not the obligation to make such payment or conform or comply with such agreement, covenant or obligation, and the amount of such payment and the amount of the reasonable expenses of Lessor incurred in connection with such payment or the performance thereof or compliance therewith, together with interest thereon at the Interest Rate, shall be payable by Lessee to Lessor (as Supplemental Rent) upon demand. Lessor agrees to notify Lessee in writing prior to making any payment under this Section 20(d), unless the Aircraft will be in danger of loss, sale, confiscation, forfeiture or seizure should such payment not be made. The taking of any such action by Lessor pursuant to this Section 20(d) shall not constitute a waiver or release of any obligation of Lessee under the Lease, nor a waiver of any Event of Default which may arise out of Lessee's nonperformance of such obligation, nor an election or waiver by Lessor of any remedy or right available to Lessor under or in relation to this Lease.

(e) Counterparts. This Lease may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. To the extent, if any, that this Lease constitutes chattel paper (as such term is defined in the Uniform Commercial Code as in effect in any applicable jurisdiction) no security interest in this Lease may be created through the transfer of possession of any counterpart other than the original counterpart, which shall be identified as the counterpart containing the receipt therefore executed by the Indenture Trustee on the signature page thereof.

(f) Quiet Enjoyment. Lessor covenants that so long as an Event of Default shall not have occurred , Lessee shall quietly enjoy, in accordance with the terms hereof, the Aircraft and all rents, revenues, profits and income thereto, without interference by Lessor, or by any Person lawfully claiming by or through Lessor.

(g) Brokers. Each of the parties hereto agrees to indemnify and hold the other harmless from and against any and all claims, suits, damages, costs and expenses (including, but not limited to reasonable attorneys' fees) asserted by any agent, broker or other third party for any commission or compensation of any nature whatsoever based upon the lease of the Aircraft, if such claim, damage, cost or expense arises out of any action or alleged action by the indemnifying party, its employees or agents. Lessee and Lessor hereby represent and warrant that each has not paid, agreed to pay or caused to be paid directly or indirectly in any form, any commission, percentage, contingent fee, brokerage or other similar payments of any kind, in connection with the establishment or operation of this Lease, to any Person.

(h) Payments in Dollars. Except as otherwise provided herein, all amounts to be paid hereunder shall be paid in Dollars, in immediately available funds, and all letters of credit or performance bonds which may be delivered hereunder shall provide for payment in Dollars. Lessee acknowledges that the specification of Dollars in this transaction is of the essence and that Dollars shall be the currency of account in any and all events. The obligations of Lessee hereunder shall not be discharged by an amount paid in another currency, whether pursuant to a judgment or otherwise, to the extent that the amount so paid on prompt conversion to Dollars and transfer to the account specified in Exhibit C under the heading, "Payment Location" under normal banking procedures does not yield the amount of Dollars owing to Lessor. In the event that any payment by Lessee, whether pursuant to judgment or otherwise, upon conversion does not yield such amount of Dollars, Lessor shall have a separate cause of action against Lessee for the additional amount necessary to yield the amount of Dollars due and owing to Lessor.

(i) Registration and Deregistration Costs. Lessor shall be solely responsible for any and all costs relating to the registration and deregistration of the Aircraft in connection with the delivery of the Aircraft to Lessee at the commencement of the Term.

(j) Transaction Costs. Except as provided in (i) above, Lessor and Lessee shall each be responsible for its own costs and expenses incurred in connection with the preparation, negotiation and delivery of this Lease and any other documents or instruments delivered in connection herewith. Lessee and Lessor each agree that the non-prevailing party shall pay on demand all out-of-pocket expenses of the prevailing party, including fees and disbursements of counsel, in connection with the enforcement of this Agreement and any other documents which may be delivered in connection herewith or therewith. In the event the prevailing party pays any of the amounts the non-prevailing party is required to pay pursuant to this Section 20, the non-prevailing party will, upon receipt of notice from the prevailing party specifying the amount paid

and furnishing appropriate invoices, statements or demands for such payment, reimburse the prevailing party for such advances.

(k) Time is of the Essence. Time and strict and punctual performance are of the essence with respect to each provision of this Lease.

(l) DISCLAIMER OF CONSEQUENTIAL DAMAGES. LESSEE AGREES THAT IT SHALL NOT BE ENTITLED TO RECOVER, AND HEREBY DISCLAIMS AND WAIVES ANY RIGHT THAT IT MAY OTHERWISE HAVE TO RECOVER, CONSEQUENTIAL DAMAGES AS A RESULT OF ANY BREACH OR ALLEGED BREACH BY LESSOR OF ANY OF THE AGREEMENTS, REPRESENTATIONS OR WARRANTIES OF LESSOR CONTAINED IN THIS LEASE.

(m) Security Deposit. In order to partially secure Lessee's obligations hereunder and under any Related Lease, Lessee shall pay the Deposit to the Payment Location when specified in Exhibit C. The Deposit shall be held in a separate account by the Lessor, or in the case of any assignment by Lessor or any successor lessor of this Lease or any rights herein to a Person which is not a domestic financial institution acting in a trust capacity and with a net worth comparable to that of Lessor, by the original Lessor hereunder acting as an escrow agent pursuant to the terms of an escrow agreement mutually acceptable to Lessor and Lessee (or, so long as the Indenture is in place, by the Indenture Trustee, provided, that any successor Indenture Trustee be a bank or trust company either (a) with a combined capital and surplus of at least $100,000,000 or (b) the obligations of which are fully guaranteed by a direct or indirect parent having a combined capital and surplus of at least $100,000,000).

If Lessee fails to pay Rent hereunder or to pay any other sums due or to perform any of the other terms and provisions of this Lease, and Related Lease or any document delivered pursuant hereto or thereto or is otherwise in Default hereunder or thereunder, in addition to all other rights Lessor may have under law, hereunder or thereunder, Lessor may use, apply or retain all or any portion of the Deposit in partial payment for sums due to Lessor by Lessee, to compensate Lessor for any sums it may in its discretion advance as a result of such Default, or to apply toward losses or expenses Lessor may suffer or incur as a result of such Default. If Lessor applies all or any portion of the Deposit, such application shall not be deemed a cure of any Default, and upon written demand therefor, Lessee shall deposit such additional funds as shall reinstate the original amounts thereof and the failure of Lessee to do so shall be a material breach of this Lease. Except as otherwise provided or to the extent applied as provided in this Section 20(m), and provided that no Default has occurred and is continuing, then upon any termination of this Lease as provided herein or on any Return Occasion, Lessor shall return any portion of the Deposit plus interest earned thereon.

(n) Entire Agreement; Modification or Revision. This Lease is intended to be a complete and exclusive statement of the terms of the agreement of the parties hereto, and this Lease supersedes any prior or contemporaneous agreements, whether oral or in writing. Neither this Lease nor any term of this Lease may be modified, rescinded, changed, waived, discharged or terminated except by a writing signed by the party to be charged. Lessor and Lessee acknowledge their agreement to the provision of this Section 20(n) by their signatures below.

(o) Trustee. Except as expressly provided in this Lease, Lessee acknowledges that this Lease is executed by Fleet National Bank, not in its individual capacity, but solely as Trustee under the Trust Agreement (the "Trust Agreement") dated as of January •, 1997 with the Beneficiary as grantor, in the exercise of the power and authority conferred and vested in it as such Trustee, that this Lease is intended to bind only the Trust Estate (as defined in the Trust Agreement) and that nothing herein contained shall be construed as creating any liability on Fleet National Bank, individually or personally, to perform any agreement herein, all such liability, if any, being expressly waived by Lessee and by each and every person now or hereafter claiming by, through or under the holder, except with respect to the gross negligence or willful misconduct of Fleet National Bank.

(p) Confidentiality. Each of Lessee and Lessor agree to and shall keep confidential this Lease and the terms hereof, all Aircraft Documents and other data or materials relating to the Aircraft supplied to Lessee by Lessor, or at the request of Lessor, hereunder and will not disclose, transfer or otherwise impart any such information to any other Person, except (i) as may be required by law or pursuant to any litigation; (ii) to its Affiliates, permitted assignees, officers, executives, employees, or agents; (iii) to its financial, accounting or legal advisors who are under a duty to or agree to hold such information confidential; (iv) with respect to any information which is generally available to the public at the time of disclosure; and (v) this Lease and the Letter Agreement may be disclosed by Lessor as reasonably required in connection with the Financing.

(q) Investment of Deposit. Any Deposits held by Lessor as security hereunder for future payments to Lessee shall, until paid to Lessee or applied in satisfaction of Lessee's obligations hereunder, be invested by Lessor, as Lessee (or in the event that an Event of Default has occurred and is continuing, Lessor) may from time to time direct in writing (and in the absence of a written direction by Lessee, there shall be no obligation to invest such moneys) in (i) obligations of, or guaranteed by, the United States federal government or agencies thereof, (ii) open market commercial paper of any corporation incorporated under the laws of the United States of America or any state thereof rated at least 2-1 or its equivalent by Moody's Investors Service, Inc. or at least A-1 or its equivalent by Standard & Poor's Corporation and (iii) certificates of deposit issued by commercial banks organized under the laws of the United States or of any political subdivision thereof having a combined capital and surplus in excess of $750,000,000 which banks or their holding companies have a rating of A or its equivalent by

Moody's Investors Service, Inc. or Standard & Poor's Corporation; provided, however, that the aggregate amount at any one time so invested in certificates of deposit issued by any one bank shall not exceed 5% of such bank's capital and surplus (such investments being herein referred to as "Permitted Investments"). There shall be promptly remitted to Lessee or its order (but no more frequently than monthly) any gain (including interest received) realized as a result of any such investment (net of any fees, commissions and other expenses, if any, incurred in connection with such investment), unless a Default or an Event of Default shall have occurred and be continuing. Lessee shall be responsible for any net loss realized as a result of any such investment and shall reimburse Lessor therefor on demand.

(r) GOVERNING LANGUAGE. THE ENGLISH LANGUAGE VERSION OF THIS AGREEMENT AND ANY AMENDMENT OR SUPPLEMENT THEREOF SHALL GOVERN THE INTERPRETATION HEREOF AND THEREOF. ALL NOTICES HEREUNDER SHALL BE IN ENGLISH.

(s) Acknowledgment of Indenture. By executing this Lease, Lessee (i) acknowledges that this Aircraft has been mortgaged to the Indenture Trustee pursuant to the Indenture and the Deposit has been assigned to the Indenture Trustee pursuant to the Indenture and (ii) consents thereto.

(t) Exhibits. The Exhibits to this Agreement shall form an integral part hereof. Reference herein to this agreement shall be deemed to include references to this agreement and the Exhibits as the same may be amended or supplemented or replaced from time to time. Lessor and Lessee agree that if any of the Exhibits have not been inserted into this Agreement as of the date hereof, such Exhibit shall be inserted on or prior to the Delivery Date, and shall thereupon be incorporated herein and shall form an integral part of this Agreement. Such Exhibits shall be attached to the originally executed counterparts of this Agreement.

(u) Non-Petition. By executing this Lease, Lessee acknowledges that the Lessor is issuing enhanced equipment trust certificates pursuant to the Financing and agrees that until such enhanced equipment trust certificates have been paid in full Lessee will not commence or join in the commencement of an involuntary case against Lessor, as Debtor, under the Bankruptcy Code.

IN WITNESS WHEREOF, Lessor and Lessee, each pursuant to due authority, have each caused this Aircraft Lease Agreement [A] to be executed by their duly authorized officers as of the day and year first above written.

LESSOR:

FLEET NATIONAL BANK, not in its individual capacity, except as otherwise expressly provided herein, but solely as Owner Trustee for the [Buelach] LLC Owner Trust[3]

By:_____
Name:
Title:
Executed at:

LESSEE:

TRANS WORLD AIRLINES, INC., a company organized and existing under the laws of the State of Delaware

By:_____
Name:
Title:
Executed at:

The undersigned Indenture Trustee acknowledges receipt of this original counterpart of this Aircraft Lease Agreement [A] on this day of , 1997 and consents to the terms hereof.

[•]

By:_____
Name:
Title:

3. Each Lease will refer to the LLC established by the respective Owner.