

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the

Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):

June 9, 2006

CONTINENTAL AIRLINES, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

1-10323

(Commission File Number)

74-2099724

(IRS Employer Identification No.)

1600 Smith Street, Dept. HQSEO, Houston, Texas

(Address of principal executive offices)

77002

(Zip Code)

(713) 324-2950

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry into a Material Definitive Agreement.

On June 9, 2006, Continental Airlines, Inc. (the “Company”) and Wilmington Trust Company, as Mortgagee, entered into the Trust Indenture and Mortgage, dated as of June 9, 2006 (the “Indenture”), and the Company issued equipment notes (the “Equipment Notes”) under the Indenture in the aggregate principal amount of \$320,000,000. The Equipment Notes were issued in two series: \$190,000,000 principal amount of Series G, bearing interest at the rate of USD 3-Month LIBOR+0.35%, and \$130,000,000 principal amount of Series B, bearing interest at the rate of USD 3-Month LIBOR+3.125%. The interest on the Equipment Notes of both series is payable quarterly on each March 2, June 2, September 2 and December 2, beginning on September 2, 2006. The entire principal amount of the Equipment Notes is due on June 2, 2013. Maturity of the Equipment Notes may be accelerated upon the occurrence of certain Events of Default, including failure by the Company (in some cases after notice or the expiration of a grace period, or both) to make payments under the Indenture when due, to comply with certain covenants or to add collateral or redeem Equipment Notes if certain ratios of the value of the collateral securing the Equipment Notes to the outstanding principal amount thereof are not satisfied, as well as certain bankruptcy events involving the Company. The Equipment Notes are secured under the Indenture by a lien on certain aircraft spare parts owned by the Company.

The Equipment Notes were purchased by Wilmington Trust Company, as pass through trustee under certain pass through trusts newly formed by the Company, using the proceeds from the sale of Pass Through Certificates, Series 2006-1G, and Pass Through Certificates, Series 2006-1B (collectively, the “Certificates”). The Certificates were registered for offer and sale pursuant to the Securities Act of 1933, as amended (the “Securities Act”), under the Company’s automatic shelf registration statement on Form S-3 (File No. 333-133187) (the “Registration Statement”). For a more detailed description of the agreements and instruments entered into by the Company with respect to the Certificates, see the disclosure under the captions “Description of the Certificates”, “Description of the Liquidity Facilities for the Class G Certificates”, “Description of the Policy and the Policy Provider Agreement for the Class G Certificates”, “Description of the Intercreditor Agreement”, “Description of the Equipment Notes” and “Underwriting” contained in the Company’s final Prospectus Supplement, dated May 24, 2006 (the “Prospectus Supplement”), to the Prospectus, dated April 10, 2006, filed with the Securities and Exchange Commission on May 26, 2006 pursuant to Rule 424(b) under the Securities Act, which disclosure is hereby incorporated herein by reference.

The proceeds from the sale of the Equipment Notes were used by the Company, in part, to redeem on June 9, 2006, the Company’s outstanding Floating Rate Secured Notes Due 2007 and Floating Rate Secured Subordinated Notes Due 2007 at the aggregate redemption price of \$292,673,230, comprised of principal, accrued interest and, in the case of such Subordinated Notes, a premium of \$970,000. As a result of such redemption, on June 9, 2006, the Amended and Restated Indenture, dated as of May 9, 2003, among the Company, Wilmington Trust Company, as Trustee, Morgan Stanley Capital Services Inc., as Liquidity Provider, and MBIA Insurance Corporation, as Policy Provider, the Spare Parts Security Agreement, dated as of December 6, 2002, between Wilmington Trust Company, as Security Agent, and the Company, and certain related agreements were terminated. The collateral that secured the redeemed notes

was released from the lien under such Spare Parts Security Agreement and used to secure the newly-issued Equipment Notes.

This Current Report is also being filed for the purpose of filing as exhibits to the Registration Statement the documents listed in Item 9.01 below, which are hereby incorporated by reference in the Registration Statement.

Item 1.02. Termination of a Material Definitive Agreement.

See Item 1.01.

Item 2.03. Creation of Direct Financial Obligation.

See Item 1.01.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits. The Exhibit Index attached to this Current Report is hereby incorporated by reference. The documents listed on the Exhibit Index are filed as Exhibits with reference to the Registration Statement. The Registration Statement and the final Prospectus Supplement, dated May 24, 2006, to the Prospectus, dated April 10, 2006, relate to the offering of the Certificates.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, Continental Airlines, Inc. has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CONTINENTAL AIRLINES, INC.

June 14, 2006

By: /s/ Jennifer L. Vogel

Jennifer L. Vogel
Senior Vice President, General Counsel,
Secretary and Corporate Compliance
Officer

EXHIBIT INDEX

- 1.1 Underwriting Agreement, dated May 24, 2006, between Morgan Stanley & Co. Incorporated, as Underwriter, and Continental Airlines, Inc.
 - 4.1 Trust Supplement No. 2006-1G, dated as of June 9, 2006, between Wilmington Trust Company, as Trustee, and Continental Airlines, Inc. to Pass Through Trust Agreement, dated as of September 25, 1997
 - 4.2 Trust Supplement No. 2006-1B, dated as of June 9, 2006, between Wilmington Trust Company, as Trustee, and Continental Airlines, Inc. to Pass Through Trust Agreement, dated as of September 25, 1997
 - 4.3 Revolving Credit Agreement (2006-1G), dated as of June 9, 2006, between Wilmington Trust Company, as Subordination Agent, as Borrower, and Morgan Stanley Bank, as Primary Liquidity Provider
 - 4.4 ISDA Master Agreement, dated as of June 9, 2006, between Morgan Stanley Capital Services Inc. and Wilmington Trust Company, as Subordination Agent
 - 4.5 Schedule to the Master Agreement, dated as of June 9, 2006, between Morgan Stanley Capital Services Inc. and Wilmington Trust Company, as Subordination Agent
 - 4.6 Above-Cap Liquidity Facility Confirmation, dated as of June 9, 2006, between Morgan Stanley Capital Services Inc. and Wilmington Trust Company, as Subordination Agent
 - 4.7 Guarantee, dated as of June 9, 2006, by Morgan Stanley, relating to the Above-Cap Liquidity Facility
 - 4.8 Insurance and Indemnity Agreement, dated as of June 9, 2006, among Financial Guaranty Insurance Company, as Policy Provider, Continental Airlines, Inc. and Wilmington Trust Company, as Subordination Agent and Trustee
 - 4.9 Financial Guarantee Insurance Policy #06030067 of Financial Guaranty Insurance Company
 - 4.10 Intercreditor Agreement, dated as of June 9, 2006, among Wilmington Trust Company, as Trustee, Morgan Stanley Bank, as Primary Liquidity Provider, Morgan Stanley Capital Services Inc., as Above-Cap Liquidity Provider, Financial Guaranty Insurance Company, as Policy Provider, and Wilmington Trust Company, as Subordination Agent and Trustee
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- 4.11 Note Purchase Agreement, dated as of June 9, 2006, among Continental Airlines, Inc. and Wilmington Trust Company, as Mortgagee, Subordination Agent and Trustee
- 4.12 Trust Indenture and Mortgage, dated as of June 9, 2006, between Continental Airlines, Inc. and Wilmington Trust Company, as Mortgagee
- 4.13 Collateral Maintenance Agreement, dated as of June 9, 2006, among Continental Airlines, Inc., Financial Guaranty Insurance Company, as Policy Provider, and Wilmington Trust Company, as Mortgagee
- 4.14 Reference Agency Agreement, dated as of June 9, 2006, among Continental Airlines, Inc. and Wilmington Trust Company, as Subordination Agent, Mortgagee and Reference Agent
- 4.15 Form of Continental Airlines Pass Through Certificate, Series 2006-1G (included in Exhibit 4.1)
- 4.16 Form of Continental Airlines Pass Through Certificate, Series 2006-1B (included in Exhibit 4.2)
- 23.1 Consent of Simat, Helliesen & Eichner, Inc., dated May 22, 2006

CONTINENTAL AIRLINES, INC.
\$190,000,000
Continental Airlines Pass Through Certificates, Series 2006-1G
\$130,000,000
Continental Airlines Pass Through Certificates, Series 2006-1B

UNDERWRITING AGREEMENT

May 24, 2006

MORGAN STANLEY & CO. INCORPORATED
1585 Broadway
New York, New York 10036

Ladies and Gentlemen:

Continental Airlines, Inc., a Delaware corporation (the "Company"), proposes that Wilmington Trust Company, as trustee under each of the Trusts (as defined below) (each, a "Trustee"), issue and sell to Morgan Stanley & Co. Incorporated (the "Underwriter"), Continental Airlines Pass Through Certificates, Series 2006-1G (the "Class G Certificates"), and Continental Airlines Pass Through Certificates, Series 2006-1B (the "Class B Certificates" and, together with the Class G Certificates, the "Certificates"), in the aggregate principal amounts and with the interest rates and final expected distribution dates set forth on Schedule I hereto on the terms and conditions stated herein. Each Trustee will use the proceeds from the sale of the Certificates to acquire from the Company the Equipment Notes. The Company intends to use most of the proceeds from the sale of said Equipment Notes to redeem its outstanding Floating Rate Secured Notes due 2007 and Floating Rate Secured Subordinated Notes due 2007 (collectively, the "Existing Notes"), outstanding under the Amended and Restated Indenture (the "Existing Indenture") dated as of May 9, 2003, among the Company, Wilmington Trust Company, as trustee, Morgan Stanley Capital Services Inc., as liquidity provider, and MBIA Insurance Corporation, as policy provider (or, if the Company has funded such redemption prior to receipt of such proceeds, to reimburse the Company for such funding).

The Class B Certificates may only be sold by the Underwriter to persons reasonably believed by the Underwriter to be "qualified institutional buyers" ("QIBs"), as defined in Rule 144A under the Securities Act of 1933, as amended (the "Securities Act").

The Company has filed with the Securities and Exchange Commission (the "Commission") an automatic shelf registration statement on Form S-3 (File No.333-133187)

relating to securities, including pass through certificates (the "Shelf Securities"), to be issued from time to time by the Company. The registration statement (including the respective exhibits thereto and the respective documents filed by the Company with the Commission pursuant to the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission thereunder (collectively, the "Exchange Act"), that are incorporated by reference therein), as amended to and including the date of this Agreement, including the information (if any) deemed to be part of the registration statement pursuant to Rule 430B under the Securities Act (and the Underwriter confirms that the first contract of sale of the Certificates by the Underwriter was made on the date of this Agreement), is hereinafter referred to as the "Registration Statement", and the related prospectus covering the Shelf Securities dated April 10, 2006 filed as part of the Registration Statement, in the form in which it has most recently been filed with the Commission on or prior to the date of this Agreement, is hereinafter referred to as the "Basic Prospectus". The Basic Prospectus, as supplemented by the final prospectus supplement specifically relating to the Certificates in the form as first filed with the Commission pursuant to Rule 424(b) under the Securities Act in accordance with Section 4(d) hereof is hereinafter referred to as the "Prospectus", and the term "preliminary prospectus" means any preliminary form of the Prospectus filed with the Commission pursuant to Rule 424 under the Securities Act. For purposes of this Agreement, (i) "free writing prospectus" has the meaning set forth in Rule 405 under the Securities Act and (ii) "Time of Sale Prospectus" means the preliminary prospectus together with the free writing prospectuses, if any, each identified in Schedule III hereto. As used herein, the terms "Registration Statement", "Basic Prospectus", "preliminary prospectus", "Time of Sale Prospectus" and "Prospectus" shall include the documents, if any, incorporated by reference therein. The terms "supplement", "amendment" and "amend" as used herein with respect to the Registration Statement, the Basic Prospectus, the Time of Sale Prospectus, any preliminary prospectus or free writing prospectus shall include all documents subsequently filed by the Company with the Commission pursuant to the Exchange Act), and incorporated by reference therein.

The Certificates will be issued pursuant to a Pass Through Trust Agreement, dated as of September 25, 1997 (the "Basic Agreement"), between the Company and the Trustee, as supplemented with respect to the issuance of each class of Certificates by a separate Pass Through Trust Supplement to be dated as of the Closing Date (as defined below) (individually, a "Trust Supplement"), between the Company and the Trustee (the Basic Agreement as supplemented by each such Trust Supplement being referred to herein individually as a "Pass Through Trust Agreement"). The Trust Supplements are related to the creation and administration of Continental Airlines Pass Through Trust 2006-1G (the "Class G Trust") and Continental Airlines Pass Through Trust 2006-1B (the "Class B Trust" and, together with the Class G Trust, the "Trusts").

Certain amounts of interest payable on the Class G Certificates will be entitled to the benefits of a primary liquidity facility and an above-cap liquidity facility. Morgan Stanley Bank (the "Primary Liquidity Provider") will enter into a revolving credit agreement with respect to the Class G Trust (the "Primary Liquidity Facility"), to be dated as of the Closing Date, for the benefit of the holders of the Class G Certificates issued by the Class G Trust. Morgan Stanley Capital Services Inc. (the "Above-Cap Liquidity Provider") will enter into an interest rate cap agreement with respect to the Class G Trust (the "Above-Cap Liquidity Facility" and, together

with the Primary Liquidity Facility, the "Liquidity Facilities"), to be dated as of the Closing Date, for the benefit of the holders of the Class G Certificates issued by the Class G Trust. The Liquidity Facilities will not cover any amounts payable in respect of the Class B Certificates.

Payments of interest on the Class G Certificates will be supported by a financial guaranty insurance policy for the Class G Trust (the "Policy") issued by Financial Guaranty Insurance Company, as policy provider (the "Policy Provider"), to the extent the Liquidity Facilities and any funds contained in the cash collateral account funded from the Primary Liquidity Facility or the Above-Cap Account funded from the Above-Cap Liquidity Facility, are insufficient or unavailable for that purpose. The Policy will also support the payment of the final distributions on the Class G Certificates and will take effect in certain other circumstances described in the Intercreditor Agreement and the Policy. The Policy will be issued pursuant to an Insurance and Indemnity Agreement to be dated as of the Closing Date (the "Policy Provider Agreement") among the Policy Provider, the Company and the Subordination Agent. Under the Intercreditor Agreement and the Policy Provider Agreement, the Policy Provider will be entitled to reimbursement for amounts paid pursuant to claims made under the Policy, subject to certain limitations. The Class B Certificates will not be entitled to the benefits of the Policy or any other financial guaranty insurance policy.

The Primary Liquidity Provider, the Above-Cap Liquidity Provider, the Trustees on behalf of the holders of the Certificates and the Policy Provider will be entitled to the benefits of an Intercreditor Agreement to be dated as of the Closing Date (the "Intercreditor Agreement") among the Trustees, Wilmington Trust Company, as subordination agent and trustee thereunder (the "Subordination Agent"), the Primary Liquidity Provider, the Above-Cap Liquidity Provider and the Policy Provider.

Capitalized terms used but not defined in this Underwriting Agreement (the "Agreement") shall have the meanings specified therefor in the Pass Through Trust Agreement, the Note Purchase Agreement (as defined in the Intercreditor Agreement) or the Intercreditor Agreement; provided that, as used in this Agreement, the term "Operative Agreements" shall mean the Intercreditor Agreement, the Liquidity Facilities, the Policy, the Pass Through Trust Agreements, the Policy Provider Agreement, the Reference Agency Agreement, the Collateral Maintenance Agreement, the Indenture, the Note Purchase Agreement, the Equipment Notes, the Certificates and the Indemnification Agreement, dated as of the Closing Date (the "Indemnification Agreement"), among the Policy Provider, the Company and the Underwriter.

1. Representations and Warranties. (a) The Company represents and warrants to, and agrees with the Underwriter that:

(i) The Company meets the requirements for use of Form S-3 under the Securities Act; the Registration Statement has become effective; and, on the original effective date of the Registration Statement, the Registration Statement complied in all material respects with the requirements of the Securities Act; no stop order suspending the effectiveness of the Registration Statement is in effect, and no proceedings for such purpose are pending before or, to the knowledge of the Company, threatened by the Commission. The Registration Statement is an "automatic shelf registration statement"

(as defined in Rule 405 under the Securities Act) and the Company is a "well-known seasoned issuer" (as defined in Rule 405 under the Securities Act) eligible to use the Registration Statement as an automatic shelf registration statement, and the Company has not received notice that the Commission objects to the use of the Registration Statement as an automatic shelf registration statement. The Registration Statement does not, as of the date hereof, include any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading. As of its date and on the Closing Date, the Prospectus, as amended and supplemented, if the Company shall have made any amendment or supplement thereto, does not and will not include an untrue statement of a material fact and does not and will not omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The Registration Statement, as of the date hereof, complies and the Prospectus complies, and as amended or supplemented, if applicable, will comply in all material respects with the Securities Act and the applicable rules and regulations of the Commission thereunder. The Time of Sale Prospectus did not, as of 5 p.m., Eastern Time, on the date of this Agreement (the "Applicable Time"), and the Time of Sale Prospectus, as then amended or supplemented by the Company, if applicable, will not as of the Closing Date, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The preceding sentences do not apply to (x) statements in or omissions from the Registration Statement, the Time of Sale Prospectus or the Prospectus based upon (A) written information furnished to the Company by the Underwriter expressly for use therein, (B) information under the caption "Description of the Policy Provider", the third paragraph under the caption "Experts" or Appendix III in the Prospectus or documents incorporated by reference thereunder (collectively, the "Policy Provider Information") or (C) statements or omissions in that part of each Registration Statement which shall constitute the Statement of Eligibility of the Trustee under the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), on Form T-1.

(ii) The documents incorporated by reference in the Time of Sale Prospectus or the Prospectus (excluding any Policy Provider Information comprising documents incorporated by reference) pursuant to Item 12 of Form S-3 under the Securities Act, at the time they were filed with the Commission or hereafter, during the period mentioned in Section 4(a) hereof, are filed with the Commission, complied or will comply, as the case may be, in all material respects with the requirements of the Exchange Act.

(iii) The Company is not an "ineligible issuer" in connection with the offering of the Certificates pursuant to Rules 164, 405 and 433 under the Securities Act. Any free writing prospectus that the Company is required to file pursuant to Rule 433(d) under the Securities Act has been, or will be, filed with the Commission in accordance with the requirements of the Securities Act and the applicable rules and regulations of the Commission thereunder. Each free writing prospectus that the Company has filed, or is required to file, pursuant to Rule 433(d) under the Securities Act complies or will comply in all material respects with the requirements of the Securities Act and the applicable rules and regulations of the Commission thereunder. Except for the free writing

prospectuses, if any, identified in Schedule III hereto, the Company has not prepared, used or referred to, any free writing prospectus in connection with the offering of the Certificates.

(iv) The Company has been duly incorporated and is an existing corporation in good standing under the laws of the State of Delaware, with corporate power and authority to own, lease and operate its property and to conduct its business as described in the Time of Sale Prospectus; and the Company is duly qualified to do business as a foreign corporation in good standing in all other jurisdictions in which its ownership or lease of property or the conduct of its business requires such qualification, except where the failure to be so qualified would not have a material adverse effect on the condition (financial or otherwise), business, properties or results of operations of the Company and its consolidated subsidiaries taken as a whole (a "Continental Material Adverse Effect").

(v) Each of Continental Micronesia, Inc. and Air Micronesia Inc. (together, the "Subsidiaries") has been duly incorporated and is an existing corporation in good standing under the laws of the jurisdiction of its incorporation, with corporate power and authority to own, lease and operate its properties and to conduct its business as described in the Time of Sale Prospectus; and each Subsidiary is duly qualified to do business as a foreign corporation in good standing in all other jurisdictions in which its ownership or lease of property or the conduct of its business requires such qualification, except where the failure to be so qualified would not have a Continental Material Adverse Effect; all of the issued and outstanding capital stock of each Subsidiary has been duly authorized and validly issued and is fully paid and nonassessable; and, except as described in the Time of Sale Prospectus, each Subsidiary's capital stock owned by the Company, directly or through subsidiaries, is owned free from liens, encumbrances and defects.

(vi) Except as described in the Time of Sale Prospectus, the Company is not in default in the performance or observance of any obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, loan agreement, note, lease or other instrument to which it is a party or by which it may be bound or to which any of its properties may be subject, except for such defaults that would not have a Continental Material Adverse Effect. The execution, delivery and performance of this Agreement and the Operative Agreements to which the Company is or will be a party and the consummation by the Company of the transactions contemplated herein and therein have been duly authorized by all necessary corporate action of the Company and will not result in any breach of any of the terms, conditions or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge or encumbrance (other than any lien, charge or encumbrance created under any Operative Agreement) upon any property or assets of the Company pursuant to any indenture, loan agreement, contract, mortgage, note, lease or other instrument to which the Company is a party or by which the Company may be bound or to which any of the property or assets of the Company is subject, which breach, default, lien, charge or encumbrance, individually or in the aggregate, would have a Continental Material Adverse Effect, nor will any such execution, delivery or performance result in any violation of the provisions of the charter or by-laws of the Company or any statute, any rule, regulation or order of any governmental agency or body or any court having jurisdiction over the Company.

(vii) No consent, approval, authorization, or order of, or filing with, any governmental agency or body or any court is required for the valid authorization, execution and delivery by the Company of this Agreement and the Operative Agreements to which it is or will be a party and for the consummation of the transactions contemplated herein and therein, except (x) such as may be required under the Securities Act, the Trust Indenture Act, the securities or "blue sky" or similar laws of the various states and of foreign jurisdictions or rules and regulations of the NASD, Inc. ("NASD"), and (y) filings or recordings with the Federal Aviation Administration (the "FAA") and under the Uniform Commercial Code (the "UCC") or other laws in effect in any applicable jurisdiction governing the perfection of security interests, which filings or recordings referred to in this clause (y) shall have been made, or duly presented for filing or recordation, or shall be in the process of being duly filed or filed for recordation, on or prior to the Closing Date.

(viii) This Agreement has been duly executed and delivered by the Company and the Operative Agreements to which the Company will be a party will be duly executed and delivered by the Company on or prior to the Closing Date.

(ix) The Operative Agreements to which the Company is or will be a party, when duly executed and delivered by the Company, assuming that such Operative Agreements have been duly authorized, executed and delivered by, and constitute the legal, valid and binding obligations of, each other party thereto, will constitute valid and binding obligations of the Company enforceable in accordance with their terms, except (w) as enforcement thereof may be limited by bankruptcy, insolvency (including, without limitation, all laws relating to fraudulent transfers), reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights generally, (x) as enforcement thereof is subject to general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law), (y) that the enforceability of the Indenture may also be limited by applicable laws which may affect the remedies provided therein but which do not affect the validity of the Indenture or make such remedies inadequate for the practical realization of the benefits intended to be provided thereby and (z) with respect to indemnification and contribution provisions, as enforcement thereof may be limited by applicable law. The Basic Agreement as executed is substantially in the form filed as an exhibit to the Company's current report on Form 8-K dated September 25, 1997 and has been duly qualified under the Trust Indenture Act. The Certificates and the Pass Through Trust Agreements will, upon execution and delivery thereof, conform in all material respects to the descriptions thereof in the Time of Sale Prospectus.

(x) The consolidated financial statements of the Company incorporated by reference in the Time of Sale Prospectus, together with the related notes thereto, present fairly in all material respects the financial position of the Company and its consolidated subsidiaries at the dates indicated and the consolidated results of operations and cash flows of the Company and its consolidated subsidiaries for the periods specified. Such financial statements have been prepared in conformity with generally accepted

accounting principles applied on a consistent basis throughout the periods involved, except as otherwise stated therein and except that unaudited financial statements do not have all required footnotes. The financial statement schedules, if any, incorporated by reference in the Time of Sale Prospectus present the information required to be stated therein.

(xi) The Company is a "citizen of the United States" within the meaning of Section 40102(a)(15) of Title 49 of the United States Code, as amended, and holds an air carrier operating certificate issued pursuant to Chapter 447 of Title 49 of the United States Code, as amended, for aircraft capable of carrying 10 or more individuals or 6,000 pounds or more of cargo. All of the outstanding shares of capital stock of the Company have been duly authorized and validly issued and are fully paid and non-assessable.

(xii) On or prior to the Closing Date, the issuance of the Certificates will be duly authorized by the Trustee. When duly executed, authenticated, issued and delivered in the manner provided for in the Pass Through Trust Agreements and sold and paid for as provided in this Agreement, the Certificates will be legally and validly issued and will be entitled to the benefits of the relevant Pass Through Trust Agreement.

(xiii) Except as disclosed in the Time of Sale Prospectus, the Company and the Subsidiaries have good and marketable title to all real properties and all other properties and assets owned by them, in each case free from liens, encumbrances and defects except where the failure to have such title would not have a Continental Material Adverse Effect; and except as disclosed in the Time of Sale Prospectus, the Company and the Subsidiaries hold any leased real or personal property under valid and enforceable leases with no exceptions that would have a Continental Material Adverse Effect.

(xiv) Except as disclosed in the Time of Sale Prospectus, there is no action, suit or proceeding before or by any governmental agency or body or court, domestic or foreign, now pending or, to the knowledge of the Company, threatened against the Company or any of its subsidiaries or any of their respective properties that individually (or in the aggregate in the case of any class of related lawsuits), could reasonably be expected to result in a Continental Material Adverse Effect or that could reasonably be expected to materially and adversely affect the consummation of the transactions contemplated by this Agreement or the Operative Agreements.

(xv) Except as disclosed in the Time of Sale Prospectus, no labor dispute with the employees of the Company or any subsidiary exists or, to the knowledge of the Company, is imminent that could reasonably be expected to have a Continental Material Adverse Effect.

(xvi) Each of the Company and the Subsidiaries has all necessary consents, authorizations, approvals, orders, certificates and permits of and from, and has made all declarations and filings with, all federal, state, local and other governmental authorities, all self-regulatory organizations and all courts and other tribunals, to own, lease, license and use its properties and assets and to conduct its business in the manner described in

the Prospectus, except to the extent that the failure to so obtain, declare or file would not have a Continental Material Adverse Effect.

(xvii) Except as disclosed in the Time of Sale Prospectus, (x) neither the Company nor any of the Subsidiaries is in violation of any statute, rule, regulation, decision or order of any governmental agency or body or any court, domestic or foreign, relating to the use, disposal or release of hazardous or toxic substances (collectively, "environmental laws"), owns or operates any real property contaminated with any substance that is subject to any environmental laws, or is subject to any claim relating to any environmental laws, which violation, contamination, liability or claim individually or in the aggregate is reasonably expected to have a Continental Material Adverse Effect, and (y) the Company is not aware of any pending investigation which might lead to such a claim that is reasonably expected to have a Continental Material Adverse Effect.

(xviii) The accountants that examined and issued an auditors' report with respect to the consolidated financial statements of the Company and the financial statement schedules of the Company, if any, included or incorporated by reference in the Registration Statement are independent public accountants within the meaning of the Securities Act.

(xix) Each preliminary prospectus filed pursuant to Rule 424 under the Securities Act and included in the Time of Sale Prospectus, complied when so filed in all material respects with the Securities Act and the applicable rules and regulations of the Commission thereunder.

(xx) Neither the Company nor either of the Trusts is an "investment company", or an entity "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended (the "Investment Company Act"), in each case required to register under the Investment Company Act; and after giving effect to the offering and sale of the Certificates and the application of the proceeds thereof as described in the Prospectus, neither of the Trusts will be an "investment company", or an entity "controlled" by an "investment company", as defined in the Investment Company Act, in each case required to register under the Investment Company Act.

(xxi) This Agreement and the Operative Agreements to which the Company is a party will, upon execution and delivery thereof, conform in all material respects to the descriptions thereof contained in the Time of Sale Prospectus.

(xxii) Simat, Helliesen & Eichner, Inc. ("SH&E") is not an affiliate of the Company and, to the knowledge of the Company, does not have a substantial interest, direct or indirect, in the Company. To the knowledge of the Company, none of the officers and directors of SH&E is connected with the Company or any of its affiliates as an officer, employee, promoter, underwriter, trustee, partner, director or person performing similar functions.

(xxiii) The Company (A) makes and keeps books, records and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the

material assets of the Company and its consolidated subsidiaries and (B) maintains a system of internal accounting controls sufficient to provide reasonable assurances that (1) transactions are executed in accordance with management's general or specific authorization; (2) transactions are recorded as necessary: (x) to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements and (y) to maintain accountability for assets; (3) access to material assets is permitted only in accordance with management's general or specific authorization; and (4) the recorded accountability for material assets is compared with the existing material assets at reasonable intervals and appropriate action is taken with respect to any differences.

(xxiv) The information provided by the Company to SH&E for use by SH&E in preparation of its report relating to the Pledged Spare Parts dated as of February 16, 2006, taken as a whole with respect to such report, did not contain an untrue statement of material fact or omit to state a material fact necessary to make such information not misleading.

(b) The parties agree that any certificate signed by a duly authorized officer of the Company and delivered to the Underwriter, or to counsel for the Underwriter, on the Closing Date and in connection with this Agreement or the offering of the Certificates, shall be deemed a representation and warranty by (and only by) the Company to the Underwriter as to the matters covered thereby.

2. Purchase, Sale and Delivery of Certificates. (a) On the basis of the representations, warranties and agreements herein contained, but subject to the terms and the conditions herein set forth, the Company agrees to cause the Trustees to sell to the Underwriter, and the Underwriter agrees to purchase from the Trustees, at a purchase price of 100% of the principal amount thereof, the aggregate principal amount of each class of Certificates.

(b) The Company is advised by the Underwriter that the Underwriter proposes to make a public offering of the Certificates as set forth in the Prospectus as soon after this Agreement has been entered into as in the Underwriter's judgment is advisable. The Company is further advised by the Underwriter that the Certificates are to be offered to the public initially at 100% of their principal amount -- the public offering price -- plus accrued interest, if any, and to certain dealers selected by the Underwriter at concessions not in excess of the concessions set forth in the Prospectus, and that the Underwriter may allow, and such dealers may reallow, concessions not in excess of the concessions set forth in the Prospectus to certain other dealers.

(c) As underwriting commission and other compensation to the Underwriter for its commitments and obligations hereunder in respect of the Certificates, including the undertakings to distribute the Certificates, the Company will pay to the Underwriter the amount set forth in Schedule II hereto. Such payment will be made on the Closing Date simultaneously with the issuance and sale of the Certificates to the Underwriter. Payment of such compensation shall be made by Federal funds check or by wire transfer of immediately available funds.

(d) The Company shall cause the Class B Trust to issue and deliver against payment of the purchase price the Class B Certificates to be purchased by the Underwriter hereunder and to be offered and sold by the Underwriter to QIBs in the form of one or more certificated securities in definitive, fully registered form without interest coupons (the "Restricted Definitive Securities") which shall be registered in the name or names designated by the Underwriter. The Restricted Definitive Security shall include the legend regarding restrictions on transfer set forth under "Description of the Certificates—Transfer Restrictions for Class B Certificates" in the Time of Sale Prospectus.

(e) Delivery of and payment for the Certificates shall be made at the offices of Hughes Hubbard & Reed LLP at One Battery Park Plaza, New York, New York 10004 at 10:00 A.M. on June 9, 2006 or such other date, time and place as may be agreed upon by the Company and the Underwriter (such date and time of delivery and payment for the Certificates being herein called the "Closing Date"). Delivery of the Class G Certificates issued by the Class G Trust shall be made to the Underwriter's account at The Depository Trust Company ("DTC") for the account of the Underwriter against payment by the Underwriter of the purchase price thereof. Delivery of the Restricted Definitive Securities evidencing the Class B Certificates shall be made to the Underwriter by physical delivery to, or at the direction of, the Underwriter. Payment for the Certificates issued by the Trusts shall be made by the Underwriter by wire transfer of immediately available funds to the accounts and in the manner designated prior to the Closing Date to the Underwriter by the Company or at such other date, time and place as may be agreed upon by the Company and the Underwriter. The Certificates shall be in the form of one or more fully registered global Class G Certificates, and shall be deposited with the Class G Trustee as custodian for DTC and registered in the name of Cede & Co.

(f) The Company agrees to have the Certificates available for inspection and checking by the Underwriter in New York, New York not later than 1:00 P.M. on the business day prior to the Closing Date.

3. Conditions of Underwriter's Obligations. The obligations of the Underwriter to purchase and pay for the Certificates pursuant to this Agreement are subject to the following conditions:

(a) On the Closing Date, no stop order suspending the effectiveness of the Registration Statement shall have been issued under the Securities Act and no proceedings therefor shall have been instituted or threatened by the Commission.

(b) On the Closing Date, the Underwriter shall have received an opinion of Hughes Hubbard & Reed LLP, as counsel for the Company, dated the Closing Date, in form and substance reasonably satisfactory to the Underwriter.

(c) On the Closing Date, the Underwriter shall have received the opinion of Hughes Hubbard & Reed LLP, counsel for the Company, dated the Closing Date, delivered in accordance with the provisions of Section 4.1.2(vii)(A) of the Note Purchase Agreement.

(d) On the Closing Date, the Underwriter shall have received an opinion of the General Counsel, Secretary and Corporate Compliance Officer of the Company, dated the Closing Date, in form and substance reasonably satisfactory to the Underwriter.

(e) On the Closing Date, the Underwriter shall have received an opinion of the Legal Department of the Company, dated the Closing Date, delivered in accordance with the provisions of Section 4.1.2(vii)(B) of the Note Purchase Agreement.

(f) On the Closing Date, the Underwriter shall have received an opinion of Richards, Layton & Finger, P.A., special counsel to Wilmington Trust Company, individually and as Trustee, Mortgagee and Subordination Agent, dated the Closing Date, in form and substance reasonably satisfactory to the Underwriter, delivered in accordance with the provisions of Section 4.1.2(vii)(C) of the Note Purchase Agreement.

(g) On the Closing Date, the Underwriter shall have received an opinion as to the perfection of the security interest in the Pledged Spare Parts of Richards, Layton & Finger, P.A., counsel for Wilmington Trust Company, individually and as Trustee, Mortgagee and Subordination Agent.

(h) On the Closing Date, the Underwriter shall have received an opinion of Lytle Soulé & Curlee, special counsel in Oklahoma City, Oklahoma counsel, dated the Closing Date, in form and substance reasonably satisfactory to the Underwriter, delivered in accordance with the provisions of Section 4.1.2(vii)(D) of the Note Purchase Agreement.

(i) On the Closing Date, the Underwriter shall have received an opinion of Shearman & Sterling LLP, special New York counsel for the Primary Liquidity Provider, dated the Closing Date, in form and substance reasonably satisfactory to the Underwriter.

(j) On the Closing Date, the Underwriter shall have received an opinion of Ballard Spahr Andrews & Ingersoll, LLP, special Utah counsel for the Primary Liquidity Provider, dated the Closing Date, in form and substance reasonably satisfactory to the Underwriter.

(k) On the Closing Date, the Underwriter shall have received an opinion regarding the 2006-1G Pass Through Trust of Shearman & Sterling LLP, special New York counsel for the Above-Cap Liquidity Provider, dated the Closing Date, in form and substance reasonably satisfactory to the Underwriter, delivered in accordance with the provisions of Section 4(a)(ii) of the ISDA Master Agreement.

(l) On the Closing Date, the Underwriter shall have received an opinion of Shearman & Sterling LLP, special New York counsel for the Above-Cap Liquidity Provider, dated the Closing Date, with respect to certain bankruptcy matters.

(m) On the Closing Date, the Underwriter shall have received an opinion of in-house counsel of Above-Cap Liquidity Provider, dated the Closing Date, in form and substance reasonably satisfactory to the Underwriter.

(n) On the Closing Date, the Underwriter shall have received an opinion of Latham & Watkins, special New York counsel for the Policy Provider, dated the Closing Date, in form and substance reasonably satisfactory to the Underwriter.

(o) On the Closing Date, the Underwriter shall have received an opinion of Vice President and Senior Counsel of the Policy Provider, dated the Closing Date, in form and substance reasonably satisfactory to the Underwriter.

(p) On the Closing Date, the Underwriter shall have received an opinion of Milbank, Tweed, Hadley & McCloy LLP, counsel for the Underwriter, dated as of the Closing Date, with respect to the issuance and sale of the Certificates, the Registration Statement, the Time of Sale Prospectus, the Prospectus and other related matters as the Underwriter may reasonably require.

(q) Subsequent to the execution and delivery of this Agreement, there shall not have occurred any change, or any development or event involving a prospective change, in the condition (financial or other), business, properties or results of operations of the Company and its subsidiaries considered as one enterprise that, in the Underwriter's judgment, is material and adverse and that makes it, in the Underwriter's judgment, impracticable to proceed with the completion of the public offering of the Certificates on the terms and in the manner contemplated by the Time of Sale Prospectus.

(r) The Underwriter shall have received on the Closing Date a certificate, dated the Closing Date and signed by the President or any Vice President of the Company, to the effect that the representations and warranties of the Company contained in this Agreement are true and correct as of the Closing Date as if made on the Closing Date (except to the extent that they relate solely to an earlier date, in which case they shall be true and accurate as of such earlier date), that the Company has performed all its obligations to be performed hereunder on or prior to the Closing Date and that, subsequent to the execution and delivery of this Agreement, there shall not have occurred any material adverse change, or any development or event involving a prospective material adverse change, in the condition (financial or other), business, properties or results of operations of the Company and its subsidiaries considered as one enterprise, except as set forth in or contemplated by the Time of Sale Prospectus.

(s) As of the Closing Date, the representations and warranties of the Policy Provider contained in the Indemnification Agreement shall be true and correct in all material respects as of the Closing Date (except to the extent that they relate solely to an earlier or later date, in which case they shall be true and correct as of such earlier or later date) and the Underwriter shall have received a certificate of the President or a Vice President of the Policy Provider, dated the Closing Date, to such effect.

(t) The Underwriter shall have received from Ernst & Young LLP, (i) a letter, dated no earlier than the date hereof, in form and substance satisfactory to the Underwriter, containing statements and information of the type ordinarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information included or incorporated by reference in the Registration Statement, the preliminary prospectus and the prospectus, and (ii) a letter, dated the Closing Date, which meets the above requirements, except that the specified date therein referring to certain procedures performed by Ernst & Young LLP will not be a date more than three business days prior to the Closing Date for purposes of this subsection.

(u) Subsequent to the execution and delivery of this Agreement and prior to the Closing Date, there shall not have been any downgrading in the rating accorded any of the Company's securities (except for any pass through certificates) by any "nationally recognized statistical rating organization", as such term is defined for purposes of Rule 436(g)(2) under the Securities Act, or any public announcement that any such organization has under surveillance or review, in each case for possible change, its ratings of any such securities other than pass through certificates (other than an announcement with positive implications of a possible upgrading, and no implication of a possible downgrading, of such rating).

(v) SH&E shall have furnished to the Underwriter a letter, addressed to the Company and dated the Closing Date, confirming that SH&E and each of its directors and officers (i) is not an affiliate of the Company or any of its affiliates, (ii) does not have any substantial interest, direct or indirect, in the Company or any of its affiliates and (iii) is not connected with the Company or any of its affiliates as an officer, employee, promoter, underwriter, trustee, partner, director or person performing similar functions.

(w) At the Closing Date, each of the Operative Agreements shall have been duly executed and delivered by each of the parties thereto; and the representations and warranties of the Company contained in each of such executed Operative Agreements shall be true and correct as of the Closing Date (except to the extent that they relate solely to an earlier date, in which case they shall be true and correct as of such earlier date) and the Underwriter shall have received a certificate of the President or a Vice President of the Company, dated as of the Closing Date, to such effect.

(x) On the Closing Date, (i) the Class G Certificates shall be rated "AAA" by Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. ("S&P") and "Aaa" by Moody's Investors Service, Inc. ("Moody's") and (ii) the Class B Certificates shall be rated not lower than "B+" by S&P and not lower than "B1" by Moody's.

The Company will furnish the Underwriter with such conformed copies of such opinions, certificates, letters and documents as the Underwriter may reasonably request.

4. Certain Covenants of the Company. The Company covenants with the Underwriter as follows:

(a) During the period described in the following sentence of this Section 4(a), the Company shall advise the Underwriter promptly of any proposal to amend or supplement the Registration Statement, Time of Sale Prospectus or the Prospectus (except by documents filed under the Exchange Act) and will not effect such amendment or supplement (except by documents filed under the Exchange Act) without the consent of the Underwriter, which consent will not be unreasonably withheld. If, at any time after the public offering of the Certificates, the Prospectus (or in lieu thereof the notice referred to in Rule 173(a) under the Securities Act) is required by law to be delivered in connection with sales of the Certificates by the Underwriter or a dealer, any event shall occur as a result of which it is necessary to amend the Registration Statement or amend or supplement the Prospectus in order to make the statements therein, in the light of the circumstances when the Prospectus (or in lieu thereof the notice referred to in Rule 173(a) under the Securities Act) is delivered to a purchaser, not misleading in any material respect, or if it is necessary to amend the Registration Statement or amend or supplement the Prospectus to comply with law, the Company shall prepare and furnish at its expense to the Underwriter and to the dealers (whose names and addresses the Underwriter will furnish to the Company) to which Certificates may have been sold by the Underwriter and to any other dealers upon request, either amendments or supplements to the Prospectus so that the statements in the Prospectus as so amended or supplemented will not, in the light of the circumstances when the Prospectus (or in lieu thereof the notice referred to in Rule 173(a) under the Securities Act) is delivered to a purchaser, be misleading in any material respect or amendments or supplements to the Registration Statement or the Prospectus so that the Registration Statement or the Prospectus, as so amended or supplemented, will comply with law and cause such amendments or supplements to be filed promptly with the Commission.

(b) During the period mentioned in paragraph (a) above, the Company shall notify the Underwriter immediately of (i) the effectiveness of any amendment to the Registration Statement, (ii) the transmittal to the Commission for filing of any supplement to the Prospectus or any document that would as a result thereof be incorporated by reference in the Prospectus, (iii) the receipt of any comments from the Commission with respect to the Registration Statement or the Prospectus, (iv) any request by the Commission to the Company for any amendment to the Registration Statement or any supplement to the Prospectus or for additional information relating thereto or to any document incorporated by reference in the Prospectus and (v) receipt by the Company of any notice of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement, the suspension of the qualification of the Certificates for offering or sale in any jurisdiction, or the institution or threatening of any proceeding for any of such purposes; and the Company agrees to use every reasonable effort to prevent the issuance of any such stop order and, if any such order is issued, to obtain the lifting thereof at the earliest possible moment and the Company shall (subject to the proviso to Section 4(i)) endeavor, in cooperation with the Underwriter, to prevent the issuance of any such stop order suspending such qualification and, if any such order is issued, to obtain the lifting thereof at the earliest possible moment.

(c) During the period mentioned in paragraph (a) above, the Company will furnish to the Underwriter as many conformed copies of the Registration Statement (as originally filed), Time of Sale Prospectus, the Prospectus, and all amendments and supplements to such documents (excluding all exhibits and documents filed therewith or incorporated by reference therein) and as many conformed copies of all consents and certificates of experts, in each case as soon as available and in such quantities as the Underwriter reasonably requests.

(d) Promptly following the execution of this Agreement, the Company will prepare a Prospectus that complies with the Securities Act and that sets forth the principal amount of the Certificates and their terms not otherwise specified in the preliminary prospectus or the Basic Prospectus included in the Registration Statement, the name of the Underwriter and the principal amount of the Certificates, the price at which the Certificates are to be purchased by the Underwriter from the Trustee, any initial public offering price, any selling concession and reallowance and any delayed delivery arrangements, and such other information as the Underwriter and the Company deem appropriate in connection with the offering of the Certificates. The Company will timely transmit copies of the Prospectus to the Commission for filing pursuant to Rule 424 under the Securities Act.

(e) The Company shall furnish to the Underwriter a copy of each free writing prospectus relating to the offering of the Certificates prepared by or on behalf of, used by, or referred to by the Company and shall not use or refer to any proposed free writing prospectus to which the Underwriter reasonably objects.

(f) If the Time of Sale Prospectus is being used to solicit offers to buy the Certificates at a time when a Prospectus is not yet available to prospective purchasers and any event shall occur or condition exist as a result of which it is necessary to amend or supplement the Time of Sale Prospectus in order to make the statements therein, in the light of the circumstances when delivered to a prospective purchaser, not misleading in any material respect, or if any event shall occur or condition exist as a result of which the Time of Sale Prospectus conflicts with the information contained in the Registration Statement then on file, or if it is necessary to amend or supplement the Time of Sale Prospectus to comply with applicable law, the Company shall forthwith prepare, file promptly with the Commission and furnish, at the Company's expense, to the Underwriter and to the dealers (whose names and addresses the Underwriter will furnish to the Company) to which Certificates may have been sold by the Underwriter and to any other dealers upon request, either amendments or supplements to the Time of Sale Prospectus so that the statements in the Time of Sale Prospectus as so amended or supplemented will not, in the light of the circumstances when delivered to a prospective purchaser, be misleading in any material respect or so that the Time of Sale Prospectus, as so amended or supplemented, will no longer conflict with the Registration Statement, or so that the Time of Sale Prospectus, as amended or supplemented, will comply with applicable law.

(g) The Company shall, in cooperation with the Underwriter, endeavor to arrange for the qualification of the Certificates for offer and sale under the applicable securities or "blue sky" laws of such jurisdictions in the United States as the Underwriter reasonably designates and will endeavor to maintain such qualifications in effect so long as required for the distribution of the Certificates; provided that the Company shall not be required to (i) qualify as a foreign corporation or as a dealer in securities, (ii) file a general consent to service of process or (iii) subject itself to taxation in any such jurisdiction.

(h) During the period of ten years after the Closing Date, the Company will promptly furnish to the Underwriter, upon request, copies of all Annual Reports on Form 10-K and any definitive proxy statement of the Company filed with the Commission; provided that providing a website address at which such Annual Reports and any such definitive proxy statements may be accessed will satisfy this clause (h).

(i) If the third anniversary of the initial effective date of the Registration Statement occurs before all the Certificates have been sold by the Underwriter, prior to the third anniversary, the Company shall file a new shelf registration statement and take any other action necessary to permit the public offering of the Certificates to continue without interruption, in which case references herein to the Registration Statement shall include the new registration statement as it shall become effective.

(j) Between the date of this Agreement and the Closing Date, the Company shall not, without the prior written consent of the Underwriter, offer, sell, or enter into any agreement to sell (as public debt securities registered under the Securities Act (other than the Certificates) or as debt securities which may be resold in a transaction exempt from the registration requirements of the Securities Act in reliance on Rule 144A thereunder and which are marketed through the use of a disclosure document containing substantially the same information as a prospectus for similar debt securities registered under the Securities Act), any equipment notes, pass through certificates, equipment trust certificates or equipment purchase certificates secured by aircraft spare parts owned by the Company (or rights relating thereto).

(k) The Company shall prepare a final term sheet relating to the offering of the Certificates, containing only information that describes the final terms of the Certificates or the offering in a form consented to by the Underwriter and shall file such final term sheet within the period required by Rule 433(d)(5)(ii) under the Securities Act following the date the final terms have been established for the offering of the Certificates.

(l) It is contemplated that the Company shall use part of the funds raised hereby to redeem the Existing Notes. Prior to any such redemption, (i) the Company shall comply with all conditions precedent for redemption of the Existing Notes set forth in Article 4 of the Existing Indenture and any other applicable sections of the Existing Indenture, subject to the receipt of the proceeds from the sale of the Equipment Notes pursuant to the Note Purchase Agreement, or (ii) the Company shall ensure that MBIA Insurance Corporation, as policy provider under the Existing Indenture, waives

compliance with such conditions precedent set forth in Section 4.1 of the Existing Indenture and any other applicable sections of the Existing Indenture, in each case in accordance with the Existing Indenture; provided, however, that if the Existing Trustee accepts the redemption payment and releases the security interest on the Spare Parts Collateral (as defined in the Existing Indenture) in accordance with the terms of the Existing Indenture and the Security Agreement (as defined in the Existing Indenture), the Company shall not be held liable for non-compliance with (i) or (ii) of this clause (l).

5. Certain Covenants of the Underwriter. (a) The Underwriter represents and warrants that it is a QIB within the meaning of Rule 144A under the Securities Act. The Underwriter represents, warrants and agrees with the Company that it has solicited and will solicit offers for the Class B Certificates only from, and has offered and will offer and sell the Class B Certificates only to persons that it reasonably believes to be QIBs; provided that, in purchasing the Class B Certificates, such persons are deemed to have represented and agreed as provided in the Time of Sale Prospectus under the caption "Description of the Certificates—Transfer Restrictions for Class B Certificates".

(b) The Underwriter represents, warrants and covenants that it has not made and will not make any offer relating to the Certificates that would constitute an issuer free writing prospectus; provided that this Section 5(b) shall not prevent the Underwriter from transmitting or otherwise making use of one or more customary "Bloomberg Screens" to offer the Certificates or convey final pricing terms thereof that contain only information contained in the Time of Sale Prospectus.

6. Indemnification and Contribution. (a) The Company agrees to indemnify and hold harmless the Underwriter, and each Person, if any, who controls the Underwriter within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act from and against any and all losses, claims, damages and liabilities (including, without limitation, any legal or other expenses reasonably incurred by the Underwriter or any such controlling person in connection with defending or investigating any such action or claim) caused by any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, any preliminary prospectus, the Time of Sale Prospectus, any "issuer free writing prospectus" as defined in Rule 433(h) under the Securities Act, any Company information that the Company has filed, or is required to file, pursuant to Rule 433(d) under the Securities Act or the Prospectus, or any amendment or supplement thereto, or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as any of the aforementioned losses, claims, damages or liabilities are caused by any such untrue statement or omission or alleged untrue statement or omission based upon information furnished to the Company in writing by or through the Underwriter expressly for use in the Registration Statement, any preliminary prospectus, the Time of Sale Prospectus, any issuer free writing prospectus or the Prospectus, or any amendment or supplement thereto (the "Underwriter Information") or Policy Provider Information.

(b) The Underwriter agrees to indemnify and hold harmless the Company, its directors, its officers who signed the Registration Statement and each person, if any, who

controls the Company, within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act, to the same extent as the foregoing indemnity from the Company to the Underwriter but only with reference to the Underwriter Information.

(c) In case any proceeding (including any governmental investigation) shall be instituted involving any person in respect of which indemnity may be sought pursuant to either paragraph (a) or (b) above, such person (the "indemnified party") shall promptly notify the person against whom such indemnity may be sought (the "indemnifying party") in writing. The indemnifying party, upon request of the indemnified party, shall, and the indemnifying party may elect to, retain counsel reasonably satisfactory to the indemnified party to represent the indemnified party and any others the indemnifying party may designate in such proceeding and the indemnifying party shall pay the fees and disbursements of such counsel related to such proceeding. In any such proceeding, any indemnified party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such indemnified party unless (i) the indemnifying party and the indemnified party shall have mutually agreed to the retention of such counsel, (ii) the named parties to any such proceeding (including any impleaded parties) include both the indemnifying party and the indemnified party and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them, or (iii) the indemnifying party shall have failed to retain counsel as required by the prior sentence to represent the indemnified party within a reasonable amount of time. It is understood that the indemnifying party shall not, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all such indemnified parties and that all such fees and expenses shall be reimbursed as they are incurred. Such firm shall be designated in writing by the Underwriter in the case of parties indemnified pursuant to paragraph (a) above and by the Company in the case of parties indemnified pursuant to paragraph (b) above. The indemnifying party shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the indemnifying party agrees to indemnify the indemnified party from and against any loss or liability by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an indemnified party shall have requested in writing an indemnifying party to reimburse the indemnified party for fees and expenses of counsel as contemplated by the second and third sentences of this paragraph (c), the indemnifying party agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 90 days after receipt by such indemnifying party of the aforesaid request and (ii) such indemnifying party shall not have reimbursed the indemnified party in accordance with such request prior to the date of such settlement, unless such fees and expenses are being disputed in good faith. The indemnifying party at any time may, subject to the last sentence of this paragraph (c), settle or compromise any proceeding described in this paragraph (c), at the expense of the indemnifying party. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement (i) includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding and (ii) does not include a

statement as to, or an admission of, fault, culpability or a failure to act by or on behalf of an indemnified party.

(d) To the extent the indemnification provided for in paragraph (a) or (b) of this Section 6 is required to be made but is unavailable to an indemnified party or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then the applicable indemnifying party under such paragraph, in lieu of indemnifying such indemnified party thereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (i) in such proportion as is appropriate to reflect the relative benefits received by the Company, on the one hand, and the Underwriter, on the other hand, from the offering of such Certificates or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company, on the one hand, and the Underwriter, on the other hand, in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Company, on the one hand, and the Underwriter, on the other hand, in connection with the offering of such Certificates shall be deemed to be in the same respective proportions as the proceeds from the offering of such Certificates received by the Trusts (before deducting expenses), less total underwriting discounts and commissions received by the Underwriter, and the total underwriting discounts and commissions received by the Underwriter, in each case as set forth on the cover of the Prospectus, bear to the aggregate initial public offering price of such Certificates. The relative fault of the Company, on the one hand, and of the Underwriter, on the other hand, shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or information supplied by the Underwriter, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(e) The Company and the Underwriter agree that it would not be just or equitable if contribution pursuant to this Section 6 were determined by pro rata allocation or by any other method of allocation that does not take account of the equitable considerations referred to in paragraph (d) above. The amount paid or payable by an indemnified party as a result of the losses, claims, damages and liabilities referred to in paragraph (d) above shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 6, the Underwriter shall not be required to contribute any amount in excess of the amount by which the total price at which the Certificates underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages that the Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

(f) The indemnity and contribution provisions contained in this Section 6 and the representations and warranties of the Company contained in this Agreement shall remain

operative and in full force and effect regardless of (i) any termination of this Agreement, (ii) any investigation made by or on behalf of the Underwriter or any person controlling the Underwriter or by or on behalf of the Company, its officers or directors or any person controlling the Company, and (iii) acceptance of and payment for any of the Certificates. The remedies provided for in this Section 6 are not exclusive and shall not limit any rights or remedies which may otherwise be available to any indemnified party at law or in equity.

7. Survival of Certain Representations and Obligations. The respective indemnities, agreements, representations, warranties and other statements of the Company or its officers and of the Underwriter set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any termination of this Agreement, any investigation, or statement as to the results thereof, made by or on behalf of the Underwriter, the Company or any of their respective representatives, officers or directors or any controlling person and will survive delivery of and payment for the Certificates. If for any reason the purchase of the Certificates by the Underwriter is not consummated, the Company shall remain responsible for the expenses to be paid or reimbursed by it pursuant to Section 9 hereof and the respective obligations of the Company and the Underwriter pursuant to Section 6 hereof shall remain in effect. If the purchase of the Certificates by the Underwriter is not consummated for any reason other than solely because of the occurrence of the termination of the Agreement pursuant to Section 8 hereof, the Company will reimburse the Underwriter for all out-of-pocket expenses (including reasonable fees and disbursements of counsel) reasonably incurred by the Underwriter in connection with the offering of such Certificates and comply with its obligations under Sections 6 and 9 hereof.

8. Termination. This Agreement shall be subject to termination by notice given by the Underwriter to the Company, if (a) after the execution and delivery of this Agreement and prior to the Closing Date (i) trading generally shall have been materially suspended or materially limited on or by, as the case may be, any of the New York Stock Exchange, the American Stock Exchange or the NASDAQ Global Market, (ii) trading of any securities of the Company shall have been suspended on any exchange or in any over-the-counter market, (iii) a general moratorium on commercial banking activities in New York shall have been declared by either Federal or New York State authorities, (iv) there shall have occurred any attack on, outbreak or escalation of hostilities or act of terrorism involving the United States, or any change in financial markets or any calamity or crisis that, in each case, in the Underwriter's judgment, is material and adverse or (v) any major disruption of settlements of securities or clearance services in the United States that would materially impair settlement and clearance with respect to the Certificates and (b) in the case of any of the events specified in clauses (a)(i) through (v), such event singly or together with any other such event makes it, in the Underwriter's judgment, impracticable to market the Certificates on the terms and in the manner contemplated in the Time of Sale Prospectus.

9. Payment of Expenses. As between the Company and the Underwriter, the Company shall pay all expenses incidental to the performance of the Company's obligations under this Agreement, including the following:

- (i) expenses incurred in connection with (A) qualifying the Certificates for offer and sale under the applicable securities or "blue sky" laws of such jurisdictions in

the United States as the Underwriter reasonably designate (including filing fees and fees and disbursements of counsel for the Underwriter in connection therewith), (B) endeavoring to maintain such qualifications in effect so long as required for the distribution of such Certificates, (C) the review (if any) of the offering of the Certificates by the NASD, (D) the determination of the eligibility of the Certificates for investment under the laws of such jurisdictions as the Underwriter may designate and (E) the preparation and distribution of any blue sky or legal investment memorandum by Underwriter's counsel;

(ii) expenses incurred in connection with the preparation and distribution to the Underwriter and the dealers (whose names and addresses the Underwriter will furnish to the Company) to which Certificates may have been sold by the Underwriter on its behalf and to any other dealers upon request, either of (A) amendments to the Registration Statement or amendments or supplements to the Time of Sale Prospectus in order to make the statements therein, in the light of the circumstances when the Prospectus is delivered to a purchaser, not materially misleading or (B) amendments or supplements to the Registration Statement, the Time of Sale Prospectus, or the Prospectus so that the Registration Statement, the Time of Sale Prospectus or the Prospectus, as so amended or supplemented, will comply with law and the expenses incurred in connection with causing such amendments or supplements to be filed promptly with the Commission, all as set forth in Section 4(a) hereof;

(iii) the expenses incurred in connection with the preparation, printing and filing of the Registration Statement (including financial statements and exhibits), as originally filed and as amended, any preliminary prospectus, the Time of Sale Prospectus, the Prospectus, any issuer free writing prospectus and any amendments and supplements to any of the foregoing, including the filing fees payable to the Commission relating to the Certificates (within the time period required by Rule 456(b)(1), if applicable), and the cost of furnishing copies thereof to the Underwriter and dealers;

(iv) expenses incurred in connection with the preparation, printing and distribution of this Agreement, the Certificates and the Operative Agreements;

(v) expenses incurred in connection with the delivery of the Certificates to the Underwriter;

(vi) reasonable fees and disbursements of the counsel and accountants for the Company;

(vii) to the extent the Company is so required under any Operative Agreement to which it is a party, the fees and expenses of the Mortgagee, the Subordination Agent, the Trustees, the Reference Agent, the Primary Liquidity Provider, the Above-Cap Liquidity Provider and the Policy Provider and the reasonable fees and disbursements of their respective counsel;

(viii) fees charged by rating agencies for rating the Certificates (including annual surveillance fees related to the Certificates as long as they are outstanding);

- (ix) reasonable fees and disbursements of counsel for the Underwriter;
- (x) all fees and expenses relating to appraisals of the Pledged Spare Parts; and
- (xi) all other reasonable out-of-pocket expenses incurred by the Underwriter in connection with the transactions contemplated by this Agreement; and
- (xii) except as otherwise provided in the foregoing clauses (i) through (xi), all other expenses incidental to the performance of the Company's obligations under this Agreement, other than pursuant to Section 6.

10. Notices. All communications hereunder shall be in writing and effective only upon receipt and, if sent to the Underwriter, shall be mailed, delivered or sent by facsimile transmission and confirmed to it at Morgan Stanley & Co. Incorporated, 1585 Broadway New York, New York 10036, Attention: Equipment Finance Group, facsimile number (212) 761-1781; and, if sent to the Company, shall be mailed, delivered or sent by facsimile transmission and confirmed to it at 1600 Smith Street, HQSEO, Houston, TX 77002, Attention: Treasurer and General Counsel, facsimile number (713) 324-2447; provided, however, that any notice to the Underwriter pursuant to Section 6 shall be sent by facsimile transmission or delivered and confirmed to the Underwriter.

11. Successors. This Agreement will inure to the benefit of and be binding upon the parties hereto and their respective successors and the controlling persons referred to in Section 6, and no other person will have any right or obligation hereunder.

12. Counterparts. This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original, but all such counterparts shall together constitute one and the same Agreement.

13. APPLICABLE LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK OTHER THAN ANY LAW WHICH WOULD REQUIRE THE APPLICATION OF A LAW OF A DIFFERENT JURISDICTION.

14. Submission to Jurisdiction; Venue; Appointment of Agent.

(a) Each party hereto hereby irrevocably agrees, accepts and submits itself to the non-exclusive jurisdiction of the courts of the State of New York in the City and County of New York and of the United States for the Southern District of New York, in connection with any legal action, suit or proceeding with respect to any matter relating to or arising out of or in connection with this Agreement. Each of the parties to this Agreement agrees that a final action in any such suit or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other lawful manner.

(b) Each party hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, and agrees not to assert, by stay of motion, as a defense, or otherwise, in any legal action or proceeding brought hereunder in any of the above-named courts, that such action or proceeding is brought in an inconvenient forum, or that venue for the action or proceeding is improper.

(c) To the fullest extent permitted by applicable law, each party hereto hereby waives its respective rights to a jury trial or any claim or cause of action in any court in any jurisdiction based upon or arising out of or relating to this Agreement.

15. LIBOR for Initial Interest Period. The Debt Rate (as defined in the Indenture) for the initial Interest Period under the Indenture shall be LIBOR, which the Underwriter shall determine as the rate for deposits in U.S. dollars for a period of three months that appears on the display designated as page "3750" on the Telerate Monitor as of 11.00 a.m., London time, on the second "Business Day" (as defined in the Indenture) prior to the Closing Date, plus the Applicable Margin.

16. No Fiduciary Duty. The Company hereby acknowledges that in connection with the offering of the Certificates: (a) the Underwriter has acted at arms length, is not an agent and owes no fiduciary duties to, the Company or any other person, (b) the Underwriter owes the Company only those duties and obligations set forth in this Agreement and prior written agreements (to the extent not superseded by this Agreement), if any, and (c) the Underwriter may have interests that differ from those of the Company. The Company waives to the full extent permitted by applicable law any claims it may have against the Underwriter arising from an alleged breach of fiduciary duty in connection with the offering of the Certificates.

17. Headings. The headings of the sections of this Agreement have been inserted for convenience of reference only and shall not be deemed a part of this Agreement.

If the foregoing is in accordance with the Underwriter's understanding of our agreement, kindly sign and return to the Company one of the counterparts hereof, whereupon it will become a binding agreement between the Underwriter and the Company in accordance with its terms.

Very truly yours,
CONTINENTAL AIRLINES, INC.

By: _____

Name:
Title:

The foregoing Underwriting Agreement
is hereby confirmed and accepted
as of the date first above written
MORGAN STANLEY & CO. INCORPORATED

By: _____

Name:
Title:

SCHEDULE I

(Continental Airlines Pass Through Certificates)

CONTINENTAL AIRLINES, INC.

<u>Certificate Designation</u>	<u>Aggregate Principal Amount</u>	<u>Interest Rate</u>	<u>Final Expected Distribution Date</u>
2006-1G	\$190,000,000	LIBOR + 0.350%	June 2, 2013
2006-1B	\$130,000,000	LIBOR + 3.125%	June 2, 2013

SCHEDULE II

CONTINENTAL AIRLINES, INC.

Underwriting commission
and other compensation: \$2,800,000

Closing date, time and location: June 9, 2006
10:00 A.M.,
New York time
Hughes Hubbard & Reed LLP
One Battery Park Plaza
New York, NY 10004

Time of Sale Prospectus

1. Basic Prospectus dated April 10, 2006 relating to Shelf Securities
2. the preliminary prospectus supplement dated May 24, 2006 relating to the Certificates
3. pricing supplement in the form attached as Annex A

Continental Airlines, Inc. ("Continental")
(NYSE Symbol: CAL)

Securities:	Class G Pass Through Certificates, Series 2006-1 ("Class G Certificates")	Class B Pass Through Certificates, Series 2006-1 ("Class B Certificates" and, together with the Class G Certificates, the "Certificates")
Amount:	\$190,000,000	\$130,000,000
CUSIP:	210795 PR5	210795 PS3
ISIN:	US210795PR55	US210795PS39
Coupon:	USD 3-month LIBOR +0.350%	USD 3-month LIBOR + 3.125%
Maximum Interest Rate:	Interest rate for the Class G Certificates is subject to a maximum rate of 10.35% for any interest period commencing on any regular distribution date if a payment default by Continental occurs and is continuing on such regular distribution date	
Capped Interest Rate:	Capped LIBOR (10% per annum) plus 0.35% per annum	
Calculation of Amounts Available under Primary Liquidity Facility:	The amount available under the Primary Liquidity Facility for the payment of accrued interest on the Class G Certificates has been calculated utilizing the Capped Interest Rate of 10.35% per annum	
Amount Available under Primary Liquidity Facility at September 2, 2006:	\$39,930,875	
Optional Redemption:	In the case of an optional redemption of the Series B Equipment Notes that relate to the Class B Certificates on or after the third anniversary and prior to the fifth anniversary of the original issuance date of the Class B Certificates (except in connection with a redemption to satisfy the maximum Collateral Ratio requirements or the minimum Rotable Ratio requirement, or to the extent required as a result of certain reductions in Continental's aircraft fleet), the redemption price will include a Premium equal to the following percentage of the principal amount redeemed:	

If redeemed during the year prior to the anniversary of the original issuance date indicated below

If redeemed during the year prior to the anniversary of the original issuance date indicated below	Series B Premium
4 th	4.0%
5 th	2.0%

In the case of an optional redemption of Equipment Notes that relate to the Certificates prior to the fifth anniversary of the original issuance date of the Certificates required as a result of certain reductions in Continental's aircraft fleet, the redemption price will include a Premium equal to the following percentage of the principal amount redeemed:

If redeemed during the year prior to the anniversary of the original issuance date indicated below	Series G Premium	Series B Premium
1 st	1.0%	4.0%
2 nd	1.0%	4.0%
3 rd	1.0%	4.0%
4 th	None	4.0%
5 th	None	2.0%

Public Offering Price: 100%

Underwriting Commission and Other Compensation: \$2,800,000

Underwriting Agreement: Dated May 24, 2006

Use of Proceeds: The proceeds will be used to acquire Equipment Notes issued by Continental. Continental will use most of the proceeds from the sale of the Equipment Notes to redeem its outstanding Floating Rate Secured Notes Due 2007 and Floating Rate Secured Subordinated Notes Due 2007, each of which is secured by the collateral that will secure the Equipment Notes. Aggregate redemption price will be approximately \$293 million, including accrued interest, LIBOR breakage costs and, in the case of the Floating Rate Secured Subordinated Notes, a premium

Settlement: June 9, 2006 (T+11) closing date, the 11th business day following the date hereof

Preliminary Prospectus Supplement: Continental has prepared and filed with the SEC a Preliminary Prospectus Supplement, dated May 24, 2006, which includes additional information regarding the Certificates

The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at www.sec.gov. Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling Morgan Stanley toll-free 1-866-718-1649 (institutional investors).

TRUST SUPPLEMENT No. 2006-1G
Dated as of June 9, 2006

between

WILMINGTON TRUST COMPANY
as Trustee,

and

CONTINENTAL AIRLINES, INC.

to

PASS THROUGH TRUST AGREEMENT
Dated as of September 25, 1997

\$190,000,000

Continental Airlines Pass Through Trust 2006-1G
LIBOR + 0.350%
Continental Airlines
Pass Through Certificates,
Series 2006-1G

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Exhibit A	Form of Certification
Exhibit B	DTC Letter of Representation

This Trust Supplement No. 2006-1G, dated as of June 9, 2006 (herein called the "Trust Supplement"), between Continental Airlines, Inc., a Delaware corporation (the "Company"), and Wilmington Trust Company (the "Trustee"), to the Pass Through Trust Agreement, dated as of September 25, 1997, between the Company and the Trustee (the "Basic Agreement").

W I T N E S S E T H:

WHEREAS, the Basic Agreement, unlimited as to the aggregate principal amount of Certificates (unless otherwise specified herein, capitalized terms used herein without definition having the respective meanings specified in the Basic Agreement) which may be issued thereunder, has heretofore been executed and delivered;

WHEREAS, the Company intends to issue pursuant to the Indenture, on a recourse basis, up to (and including) two series of equipment notes (the "Equipment Notes") to be secured by, among other things, certain aircraft spare parts owned by the Company;

WHEREAS, the Trustee hereby declares the creation of the Continental Airlines Pass Through Trust 2006-1G (the "Applicable Trust") for the benefit of the Applicable Certificateholders, and the initial Applicable Certificateholders as the grantors of the Applicable Trust, by their respective acceptances of the Applicable Certificates, join in the creation of the Applicable Trust with the Trustee;

WHEREAS, all Certificates to be issued by the Applicable Trust will evidence fractional undivided interests in the Applicable Trust and will convey no rights, benefits or interests in respect of any property other than the Trust Property;

WHEREAS, pursuant to the terms and conditions of the Basic Agreement as supplemented by this Trust Supplement (the "Agreement") and the NPA (as defined below), the Trustee on behalf of the Applicable Trust, using the proceeds of the sale of the Applicable Certificates, shall purchase an Equipment Note having the same interest rate as, and final maturity date not later than the final Regular Distribution Date of, the Applicable Certificates issued hereunder and shall hold such Equipment Note in trust for the benefit of the Applicable Certificateholders;

WHEREAS, all of the conditions and requirements necessary to make this Trust Supplement, when duly executed and delivered, a valid, binding and legal instrument in accordance with its terms and for the purposes herein expressed, have been done, performed and fulfilled, and the execution and delivery of this Trust Supplement in the form and with the terms hereof have been in all respects duly authorized;

WHEREAS, this Trust Supplement is subject to the provisions of the Trust Indenture Act of 1939, as amended, and shall, to the extent applicable, be governed by such provisions.

NOW THEREFORE, in consideration of the premises herein, it is agreed between the Company and the Trustee as follows:

ARTICLE I
CREATION OF THE APPLICABLE CERTIFICATES

Section 1.01. The Applicable Certificates. There is hereby created a series of Certificates to be issued under the Agreement to be distinguished and known as “Continental Airlines Pass Through Certificates, Series 2006-1G” (hereinafter defined as the “Applicable Certificates”). Each Applicable Certificate represents a fractional undivided interest in the Applicable Trust created hereby. The Applicable Certificates shall be the only instruments evidencing a fractional undivided interest in the Applicable Trust.

The terms and conditions applicable to the Applicable Certificates are as follows:

- (a) The aggregate principal amount of the Applicable Certificates that shall be authenticated under the Agreement (except for Applicable Certificates authenticated and delivered pursuant to Sections 3.03, 3.04, 3.05 and 3.06 of the Basic Agreement) is \$190,000,000.
- (b) The Regular Distribution Dates with respect to any payment of Scheduled Payments means March 2, June 2, September 2 and December 2 of each year, commencing on September 2, 2006 (or, if any such date is not a Business Day, the next succeeding Business Day), until payment of all of the Scheduled Payments to be made under the Equipment Notes has been made.
- (c) The Special Distribution Dates with respect to the Applicable Certificates means any Business Day on which a Special Payment is to be distributed pursuant to the Agreement.
- (d)
 - (i) The Applicable Certificates shall be in the form attached hereto as Exhibit A. Any Person acquiring or accepting an Applicable Certificate or an interest therein will, by such acquisition or acceptance, be deemed to represent and warrant to and for the benefit of the Company that either (i) the assets of an employee benefit plan subject to Title I of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), or of a plan subject to Section 4975 of the Internal Revenue Code of 1986, as amended (the “Code”), have not been used to purchase Applicable Certificates or an interest therein or (ii) the purchase and holding of Applicable Certificates or an interest therein is exempt from the prohibited transaction restrictions of ERISA and the Code pursuant to one or more prohibited transaction statutory or administrative exemptions.
 - (ii) The Applicable Certificates shall be Book-Entry Certificates and shall be subject to the conditions set forth in the Letter of Representations between the Company and the Clearing Agency attached hereto as Exhibit B.

- (e) The “NPA” as defined in this Trust Supplement is the “Note Purchase Agreement” referred to in the Basic Agreement.
- (f) The Applicable Certificates are subject to the Intercreditor Agreement.
- (g) The Applicable Certificates are entitled to the benefits of the Primary Liquidity Facility, the Above-Cap Liquidity Facility and the Policy.
- (h) The Responsible Party is the Company.
- (i) The date referred to in clause (i) of the definition of the term “PTC Event of Default” in the Basic Agreement is the Final Maturity Date.
- (j) The “particular sections of the Note Purchase Agreement”, for purposes of clause (3) of Section 7.07 of the Basic Agreement, is Section 8.1 of the NPA.
- (k) The Equipment Note to be acquired and held in the Applicable Trust, and the related Pledged Spare Parts and Note Documents are described in the NPA.
- (l) For purposes of Section 2.01(b)(4) of the Basic Agreement, there shall be no Cut-off Date with respect to the Applicable Certificates.
- (m) For purposes of the second paragraph of Section 11.01 of the Basic Agreement, the notice of any termination of the Applicable Trust shall be mailed promptly by the Trustee to the Applicable Certificateholders not earlier than 60 days and not later than 15 days preceding the final distribution referenced in such Section.

ARTICLE II DEFINITIONS

Section 2.01. Definitions. For all purposes of the Basic Agreement as supplemented by this Trust Supplement, the following capitalized terms have the following meanings (any term used herein which is defined in both this Trust Supplement and the Basic Agreement shall have the meaning assigned thereto in this Trust Supplement for purposes of the Basic Agreement as supplemented by this Trust Supplement):

Above-Cap Account: Has the meaning specified in the Intercreditor Agreement.

Above-Cap Liquidity Facility: Means, initially, the ISDA Master Agreement, dated as of June 9, 2006, between the Subordination Agent, as agent and trustee for the Applicable Trust, and the Above-Cap Liquidity Provider, together with the Schedule and Confirmation attached thereto, relating to the Applicable Certificates, and, from and after the replacement of such ISDA Master Agreement pursuant thereto, the replacement above-cap liquidity facility therefor, if any, in each case, as amended, supplemented or otherwise modified from time to time in accordance with its terms.

Above-Cap Liquidity Provider: Means, initially, Morgan Stanley Capital Services Inc., a corporation organized under the laws of the state of Delaware, and any replacements or successors therefor appointed in accordance with the Intercreditor Agreement.

Agreement: Has the meaning specified in the recitals hereto.

Applicable Certificate: Has the meaning specified in Section 1.01 of this Trust Supplement.

Applicable Certificateholder: Means the Person in whose name an Applicable Certificate is registered on the Register for the Applicable Certificates.

Applicable Trust: Has the meaning specified in the recitals hereto.

Basic Agreement: Has the meaning specified in the first paragraph of this Trust Supplement.

Break Amount: Has the meaning specified in the Indenture.

Business Day: Means any day other than a Saturday, a Sunday or a day on which commercial banks are required or authorized to close in Houston, Texas; New York, New York; or, so long as any Applicable Certificate is Outstanding, the city and state in which the Trustee, the Subordination Agent or the Loan Trustee maintains its Corporate Trust Office or receives and disburses funds and which is also a day for trading by and between banks in the London interbank Eurodollar markets.

Certain Excess Reimbursement Obligations: Means any amounts referred to in clause (c) of the definition of "Excess Reimbursement Obligations" in the Intercreditor Agreement.

Certificate: Has the meaning specified in the Intercreditor Agreement.

Class: Has the meaning specified in the Intercreditor Agreement.

Class B Purchasers: Has the meaning specified in Section 5.01(a) of this Trust Supplement

Collateral: Has the meaning specified in the Indenture.

Company: Has the meaning specified in the first paragraph of this Trust Supplement.

Controlling Party: Has the meaning specified in the Intercreditor Agreement.

Distribution Date: Means any Regular Distribution Date or Special Distribution Date as the context requires.

Equipment Notes: Has the meaning specified in the recitals hereto.

Final Maturity Date: June 2, 2015.

Indenture: Means the Trust Indenture and Mortgage dated as of June 9, 2006 between the Company and the Loan Trustee, as amended, supplemented or otherwise modified from time to time in accordance with its terms.

Intercreditor Agreement: Means the Intercreditor Agreement (2006-1) dated as of June 9, 2006 among the Trustee, the Other Trustee, the Above-Cap Liquidity Provider, the Primary Liquidity Provider, the Policy Provider and Wilmington Trust Company, as Subordination Agent and as trustee thereunder, as amended, supplemented or otherwise modified from time to time in accordance with its terms.

Investors: Means the Underwriter, together with all subsequent beneficial owners of the Applicable Certificates.

Issuance Date: Means the date of the issuance of the Applicable Certificates to the Underwriter pursuant to the Underwriting Agreement.

Liquidity Obligations: Has the meaning assigned to such term in the Intercreditor Agreement.

Non-Participating Certificateholders: Has the meaning specified in Section 5.01(a) of this Trust Supplement.

Non-Participating Class G Certificateholders: Has the meaning specified in Section 5.01(b) of this Trust Supplement.

Note Documents: Means the Equipment Notes with respect to the Applicable Certificates, the Indenture and the NPA.

NPA: Means the Note Purchase Agreement dated as of June 9, 2006 among the Trustee, the Other Trustee, the Company, the Loan Trustee and the Subordination Agent, providing for, among other things, the purchase of the applicable Equipment Note by the Trustee on behalf of the Applicable Trust, as the same may be amended, supplemented or otherwise modified from time to time, in accordance with its terms.

Operative Agreements: Has the meaning assigned to such term in the Intercreditor Agreement.

Other Agreement: Means the Basic Agreement as supplemented by Trust Supplement No. 2006-1B dated the date hereof relating to the Other Trust.

Other Trust: Means the Continental Airlines Pass Through Trust 2006-1B, created by the Other Agreement.

Other Trustee: Means the trustee under the Other Agreement, and any successor or other trustee appointed as provided therein.

Participating Certificateholders: Has the meaning specified in Section 5.01(a) of this Trust Supplement.

Participating Class G Certificateholders: Has the meaning specified in Section 5.01(b) of this Trust Supplement.

Pledged Spare Parts: Has the meaning assigned to such term in the Indenture.

Policy: Has the meaning specified in the Intercreditor Agreement.

Policy Fee Letter: Has the meaning specified in the Intercreditor Agreement.

Policy Provider: Has the meaning specified in the Intercreditor Agreement.

Policy Provider Agreement: Has the meaning specified in the Intercreditor Agreement.

Policy Provider Amounts: Has the meaning specified in the Intercreditor Agreement.

Policy Provider Default: Has the meaning specified in the Intercreditor Agreement.

Policy Provider Obligations: Has the meaning assigned to such term in the Intercreditor Agreement.

Pool Balance: Means, as of any date, (i) the original aggregate face amount of the Applicable Certificates less (ii) the aggregate amount of all payments made as of such date in respect of such Applicable Certificates other than payments made in respect of interest or Premium or Break Amount thereon or reimbursement of any costs or expenses incurred in connection therewith. The Pool Balance as of any date shall be computed after giving effect to any payment of principal of the Equipment Notes, payments under the Policy (other than in respect of interest on the Applicable Certificates) or payment with respect to other Trust Property and the distribution thereof to be made on that date.

Pool Factor: Means, as of any date, the quotient (rounded to the seventh decimal place) computed by dividing (i) the Pool Balance by (ii) the original aggregate face amount of the Applicable Certificates. The Pool Factor as of any date shall be computed after giving effect to any payment of principal of the Equipment Notes, payment under

the Policy (other than in respect of interest on the Applicable Certificates) or payment with respect to other Trust Property and the distribution thereof to be made on that date.

Premium: Has the meaning specified in the Indenture.

Primary Liquidity Facility: Means, initially, the Revolving Credit Agreement dated as of June 9, 2006 between Wilmington Trust Company, as Subordination Agent, as agent and trustee for the Applicable Trust, and the initial Primary Liquidity Provider, and from and after the replacement of such Revolving Credit Agreement pursuant to the Intercreditor Agreement, the replacement liquidity facility therefor, if any, in each case as amended, supplemented or otherwise modified from time to time in accordance with its terms.

Primary Liquidity Provider: Means, initially, Morgan Stanley Bank, an industrial bank organized under the laws of the state of Utah, and any replacements or successors therefor appointed in accordance with the Intercreditor Agreement.

PTC Event of Default: Has the meaning assigned to such term in the Intercreditor Agreement.

Reference Agency Agreement: Has the meaning specified in the NPA.

Scheduled Payment: Has the meaning assigned to such term in the Intercreditor Agreement.

Special Payment: Means any payment (other than a Scheduled Payment) in respect of, or any proceeds of, any Equipment Note or Collateral (as defined in the Indenture).

Stated Interest Rate: Has the meaning specified in the Intercreditor Agreement as such meaning is applicable to the Applicable Certificates.

Triggering Event: Has the meaning assigned to such term in the Intercreditor Agreement.

Trust Property: Means (i) subject to the Intercreditor Agreement, the Equipment Note held as the property of the Applicable Trust, all monies at any time paid thereon and all monies due and to become due thereunder, (ii) funds from time to time deposited in the Certificate Account and the Special Payments Account and, subject to the Intercreditor Agreement, any proceeds from the sale by the Trustee pursuant to Article VI of the Basic Agreement of the Equipment Note and (iii) all rights of the Applicable Trust and the Trustee, on behalf of the Applicable Trust, under the Intercreditor Agreement, the NPA, the Above-Cap Liquidity Facility, the Primary Liquidity Facility and the Policy, including, without limitation, all rights to receive certain payments thereunder, and all monies paid to the Trustee on behalf of the Applicable Trust pursuant to the Intercreditor

Agreement, the NPA, the Above-Cap Liquidity Facility, the Primary Liquidity Facility or the Policy.

Trust Supplement: Has the meaning specified in the first paragraph of this trust supplement.

Trustee: Has the meaning specified in the first paragraph of this Trust Supplement.

Underwriter: Means Morgan Stanley & Co. Incorporated.

Underwriting Agreement: Means the Underwriting Agreement dated as of May 24, 2006 between the Underwriter and the Company, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

ARTICLE III
[INTENTIONALLY OMITTED]

ARTICLE IV
STATEMENTS TO APPLICABLE CERTIFICATEHOLDERS

Section 4.01. [Reserved].

Section 4.02. Statements to Applicable Certificateholders. (a) On each Distribution Date, the Trustee will include with each distribution to Applicable Certificateholders of a Scheduled Payment or Special Payment, as the case may be, a statement setting forth the information provided below. Such statement shall set forth (per \$1,000 face amount Applicable Certificate as to (ii) and (iii) below) the following information:

- (i) the aggregate amount of funds distributed on such Distribution Date under the Agreement, indicating the amount allocable to each source, including any portion thereof withdrawn from the Above-Cap Account or paid by the Primary Liquidity Provider or the Policy Provider;
- (ii) the amount of such distribution under the Agreement allocable to principal and the amount allocable to Premium and Break Amount, if any;
- (iii) the amount of such distribution under the Agreement allocable to interest;
- (iv) the Pool Balance and the Pool Factor; and
- (v) the LIBOR rates and the resulting Stated Interest Rate on the Applicable Certificates for the current and immediately preceding Interest Periods.

With respect to the Applicable Certificates registered in the name of a Clearing Agency or its nominee, on the Record Date prior to each Distribution Date, the Trustee will request from such Clearing Agency a securities position listing setting forth the names of all Clearing Agency Participants reflected on such Clearing Agency's books as holding interests in the Applicable Certificates on such Record Date. On each Distribution Date, the Trustee will mail to each such Clearing Agency Participant the statement described above and will make available additional copies as requested by such Clearing Agency Participant for forwarding to holders of interests in the Applicable Certificates.

(b) Within a reasonable period of time after the end of each calendar year but not later than the latest date permitted by law, the Trustee shall furnish to each Person who at any time during such calendar year was an Applicable Certificateholder of record a statement containing the sum of the amounts determined pursuant to clauses (a)(i), (a)(ii) and (a)(iii) above for such calendar year or, in the event such Person was an Applicable Certificateholder of record during a portion of such calendar year, for such portion of such calendar year, and such other items as are readily available to the Trustee and which an Applicable Certificateholder shall reasonably request as necessary for the purpose of such Applicable Certificateholder's preparation of its U.S. federal income tax returns. Such statement and such other items shall be prepared on the basis of information supplied to the Trustee by the Clearing Agency Participants and shall be delivered by the Trustee to such Clearing Agency Participants to be available for forwarding by such Clearing Agency Participants to the holders of interests in the Applicable Certificates in the manner described in Section 4.02(a) of this Trust Supplement.

(c) Promptly following the date of any early redemption or purchase of, or any default in the payment of principal or interest in respect of, any of the Equipment Notes held in the Applicable Trust, the Trustee shall furnish to Applicable Certificateholders of record on such date a statement setting forth (x) the expected Pool Balances for each subsequent Regular Distribution Date, (y) the related Pool Factors for such Regular Distribution Dates and (z) the expected principal distribution schedule of the Equipment Note held as Trust Property at the date of such notice. The Trustee will mail to each such Clearing Agency Participant the statement described above and will make available additional copies as requested by such Clearing Agency Participant for forwarding to holders of interests in the Applicable Certificates.

(d) This Section 4.02 supersedes and replaces Section 4.03 of the Basic Agreement, with respect to the Applicable Trust.

Section 4.03. Distributions from Special Payments Account.

(a) On each Special Distribution Date with respect to any Special Payment or as soon thereafter as the Trustee has confirmed receipt of any Special Payments due on the Equipment Note held (subject to the Intercreditor Agreement) in the Applicable Trust or realized upon the sale of such Equipment Note, the Trustee shall distribute out of the Special Payments Account the entire amount of such Special Payment deposited therein pursuant to Section 4.01(b) of the Basic Agreement. There shall be so distributed to each Applicable Certificateholder of record on the Record Date with respect to such Special Distribution Date (other than as provided in Section 11.01 of the Basic Agreement concerning the final distribution) by check mailed to such Applicable Certificateholder, at the address appearing in the Register, such Applicable

Certificateholder's pro rata share (based on the Fractional Undivided Interest in the Applicable Trust held by such Applicable Certificateholder) of the total amount in the Special Payments Account on account of such Special Payment, except that, with respect to Applicable Certificates registered on the Record Date in the name of a Clearing Agency (or its nominee), such distribution shall be made by wire transfer in immediately available funds to the account designated by such Clearing Agency (or such nominee).

(b) The Trustee shall, at the expense of the Company, cause notice of each Special Payment to be mailed to each Applicable Certificateholder at his address as it appears in the Register. In the event of redemption or purchase of the Equipment Note held in the Applicable Trust, such notice shall be mailed not less than 15 days prior to the Special Distribution Date for the Special Payment resulting from such redemption or purchase, which Special Distribution Date shall be the date of such redemption or purchase. In the case of any distribution pursuant to Section 3.6(c) or Section 3.6(e) of the Intercreditor Agreement, the Trustee will mail notice to the Applicable Certificateholders not less than 15 days prior to the Special Distribution Date determined for such distribution. In the case of any other Special Payments, such notice shall be mailed as soon as practicable after the Trustee has confirmed that it has received funds for such Special Payment, stating the Special Distribution Date for such Special Payment which shall occur not less than 15 days after the date of such notice and as soon as practicable thereafter. Notices mailed by the Trustee shall set forth:

(i) the Special Distribution Date and the Record Date therefor (except as otherwise provided in Section 11.01 of the Basic Agreement),

(ii) the amount of the Special Payment for each \$1,000 face amount Applicable Certificate and the amount thereof constituting principal, Premium or Break Amount, if any, and interest,

(iii) the reason for the Special Payment, and

(iv) if the Special Distribution Date is the same date as a Regular Distribution Date, the total amount to be received on such date for each \$1,000 face amount Applicable Certificate.

If the amount of Premium or Break Amount, if any, payable upon the redemption or purchase of the Equipment Note has not been calculated at the time that the Trustee mails notice of a Special Payment, it shall be sufficient if the notice sets forth the other amounts to be distributed and states that any Premium or Break Amount received will also be distributed.

If any redemption of the Equipment Note held in the Applicable Trust is canceled, the Trustee, as soon as possible after learning thereof, shall cause notice thereof to be mailed to each Applicable Certificateholder at its address as it appears on the Register.

(c) This Section 4.03 supersedes and replaces Section 4.02(b) and Section 4.02(c) of the Basic Agreement in their entirety, with respect to the Applicable Trust.

Section 4.04. Limitation of Liability for Payments. Section 3.09 of the Basic Agreement shall be amended, with respect to the Applicable Trust, by deleting the phrase "the

Owner Trustees or the Owner Participants” in the second sentence thereof and adding in lieu thereof “the Above-Cap Liquidity Provider, the Primary Liquidity Provider or the Policy Provider”.

ARTICLE V
DEFAULT

Section 5.01. Purchase Rights of Certificateholders; Election to Terminate Policy. (a) By acceptance of its Applicable Certificate, each Applicable Certificateholder agrees that at any time after the occurrence and during the continuation of a Triggering Event, each Class B Certificateholder (other than the Company or any of its Affiliates) shall have the right to purchase all, but not less than all, of the Applicable Certificates upon ten days’ written notice to the Trustee and each other Class B Certificateholder, provided that (i) if prior to the end of such ten-day period any other Class B Certificateholder (other than the Company or any of its Affiliates) notifies such purchasing Class B Certificateholder that such other Class B Certificateholder (other than the Company or any of its Affiliates) wants to participate in such purchase, then such other Class B Certificateholder may join with the purchasing Class B Certificateholder (any such purchasing Class B Certificateholders shall be collectively referred to herein as the “Class B Purchasers”) to purchase all, but not less than all, of the Applicable Certificates based on the ratio of the Fractional Undivided Interest in the Class B Trust held by each such Class B Purchaser to the Fractional Undivided Interests in the Class B Trust held by all of the Class B Purchasers and (ii) if prior to the end of such ten-day period any other Class B Certificateholder fails to notify the Class B Purchasers of such other Class B Certificateholder’s desire to participate in such a purchase, then such other Class B Certificateholder shall lose its right to purchase the Applicable Certificates pursuant to this Section 5.01(a). In addition, following the exercise by the Class B Purchasers of their right to purchase the Applicable Certificates, the Applicable Certificateholders shall have the right to elect upon 20 days’ written notice to the Trustee, the Policy Provider and each other Applicable Certificateholder to surrender the Policy to the Policy Provider for cancellation (thereby releasing the Policy Provider from its obligations under the Policy) and to pay (or cause to be paid) both of the following: (i) to the Policy Provider, to the extent not paid otherwise, all Policy Provider Amounts (other than Certain Excess Reimbursement Obligations) and (ii) to the Primary Liquidity Provider all outstanding Liquidity Obligations. If any of the Applicable Certificateholders (the “Non-Participating Certificateholders”) fails to elect to surrender the Policy and make such payments or fails to notify the Applicable Certificateholders making such election (together with any Applicable Certificateholders joining in such election, the “Participating Certificateholders”) prior to the end of such 20-day period of their intention to join with the Participating Certificateholders in surrendering the Policy to the Policy Provider for cancellation (thereby releasing the Policy Provider from its obligations under the Policy) and making such payments, the Participating Certificateholders shall have the right to purchase all, but not less than all, of the Applicable Certificates held by the Non-Participating Certificateholders, pro rata based on the ratio of the Fractional Undivided Interest in the Applicable Trust held by each such Participating Certificateholder to the Fractional Undivided Interests in the Applicable Trust held by all Participating Certificateholders and, following the consummation of such purchase, to make the election to surrender the Policy and make such payments (it being understood and agreed that the Policy may be surrendered if and only if the Participating Certificateholders hold

all, but not less than all of the Applicable Certificates, and unanimously elect to so surrender the Policy and make such payments, in each case, whether initially or following the purchase of Applicable Certificates from Non-Participating Certificateholders). Payment of the purchase price of all the Applicable Certificates held by Non-Participating Certificateholders and the payment of all Policy Provider Amounts (other than Certain Excess Reimbursement Obligations) and Liquidity Obligations shall, in each case, be made by the Participating Certificateholders based on the ratio of the Fractional Undivided Interest in the Applicable Trust held by each such Participating Certificateholder to the Fractional Undivided Interests in the Applicable Trust held by all Participating Certificateholders. Following all such payments, the Trustee shall be subrogated to the rights of the Policy Provider and the Primary Liquidity Provider under the Operative Agreements and the Trustee shall direct the Subordination Agent to surrender (or cause the surrender of) the Policy to the Policy Provider for cancellation (thereby releasing the Policy Provider from its obligations under the Policy). Upon such surrender and payments, the Primary Liquidity Facility shall be terminated in accordance therewith. Following any such surrender of the Policy to the Policy Provider for cancellation and payment of the Policy Provider Amounts (other than Certain Excess Reimbursement Obligations) and the Liquidity Obligations, the Applicable Certificates shall no longer be entitled to the benefits of the Policy or the Primary Liquidity Facility.

(b) By acceptance of its Applicable Certificate, each Applicable Certificateholder agrees that, in the event that (i) none of the Class B Certificateholders has elected to exercise its right to purchase pursuant to clause (a) above or (ii) any Class B Certificateholder has so elected to exercise such right, but has not exercised its right to surrender the Policy pursuant to clause (a) above, the Policy Provider, if it is then the Controlling Party and no Policy Provider Default shall have occurred and be continuing and 120 days have elapsed since the occurrence of a Triggering Event that is continuing, shall have the right to purchase all, but not less than all, of the Applicable Certificates upon 20 days' written notice to the Trustee, the Other Trustee and the Applicable Certificateholders; provided, that upon receipt of any such purchase notice, the Applicable Certificateholders shall have the right to elect upon written notice to the Trustee, the Policy Provider and all of the other Applicable Certificateholders given prior to the end of such 20-day period to surrender the Policy to the Policy Provider for cancellation (thereby releasing the Policy Provider from its obligations under the Policy) and to pay (or cause to be paid) both of the following: (i) to the Policy Provider, to the extent not paid otherwise, all Policy Provider Amounts (other than Certain Excess Reimbursement Obligations) and (ii) to the Primary Liquidity Provider all outstanding Liquidity Obligations. If any of the Applicable Certificateholders (the "Non-Participating Class G Certificateholders") fails to make such election or fails to notify the Applicable Certificateholders making such election (together with any Applicable Certificateholders joining in such election, the "Participating Class G Certificateholders") prior to the end of such 20-day period of its intention to join with such Participating Class G Certificateholders in surrendering the Policy and making such payments, the Participating Class G Certificateholders shall have the right to purchase all, but not less than all, of the Applicable Certificates held by such Non-Participating Class G Certificateholders, pro rata based on the ratio of the Fractional Undivided Interest in the Applicable Trust held by each such Participating Class G Certificateholder to the total Fractional Undivided Interests in the Applicable Trust held by all Participating Class G Certificateholders, and, following the consummation of such purchase, to make the election to surrender the Policy in the manner provided in the immediately preceding sentence and make such payments (it being understood

and agreed that the Policy may only be surrendered if and only if the Participating Class G Certificateholders hold all, but not less than all of the Applicable Certificates whether initially or following the purchase of Applicable Certificates, and unanimously elect to so surrender the Policy and make such payments, in each case, whether initially or following the purchase of the Applicable Certificates from Non-Participating Class G Certificateholders from Non-Participating Class G Certificateholders). Payment of the purchase price of all Applicable Certificates held by Non-Participating Class G Certificateholders and the payment of the Policy Provider Amounts (other than Certain Excess Reimbursement Obligations) and Liquidity Obligations shall, in each case, be made by the Participating Class G Certificateholders based on the ratio of the Fractional Undivided Interest in the Applicable Trust held by each such Participating Class G Certificateholder to the total Fractional Undivided Interests in the Applicable Trust held by all Participating Class G Certificateholders. Following all such payments, the Trustee shall direct the Subordination Agent to surrender or cause the surrender of the Policy to the Policy Provider for cancellation (thereby releasing the Policy Provider from its obligations under the Policy). Upon such surrender and payments, the Primary Liquidity Facility shall be terminated in accordance therewith. Following any such surrender of the Policy to the Policy Provider for cancellation and payment of the Policy Provider Amounts (other than Certain Excess Reimbursement Obligations) and the Liquidity Obligations, the Applicable Certificates shall no longer be entitled to the benefits of the Policy or the Primary Liquidity Facility.

The purchase price with respect to the Applicable Certificates shall be equal to the Pool Balance of the Applicable Certificates, together with accrued and unpaid interest thereon to the date of such purchase, without Premium or Break Amount, but including any other amounts then due and payable to the Applicable Certificateholders under the Agreement, the Intercreditor Agreement or any Note Document or on or in respect of the Applicable Certificates; provided, however, that no such purchase of Applicable Certificates shall be effective unless the purchaser(s) shall certify to the Trustee that contemporaneously with such purchase, such purchaser(s) is (are) purchasing, pursuant to the terms of the Agreement and, in the case of any purchase of the Applicable Certificates pursuant to clause (a) of this Section 5.01 and the Other Agreement, all of the Applicable Certificates. Each payment of the purchase price of the Applicable Certificates referred to in the first sentence hereof shall be made to an account or accounts designated by the Trustee and each such purchase shall be subject to the terms of this Section 5.01. Each Applicable Certificateholder agrees by its acceptance of its Applicable Certificate that (at any time after the occurrence and during the continuation of a Triggering Event) it will, upon payment from such Class B Purchasers, Participating Class G Certificateholders or the Policy Provider, as the case may be, of the purchase price set forth in the first sentence of this paragraph, (i) forthwith sell, assign, transfer and convey to the purchaser(s) thereof (without recourse, representation or warranty of any kind except for its own acts), all of the right, title, interest and obligation of such Applicable Certificateholder in the Agreement, the Intercreditor Agreement, the Above-Cap Liquidity Facility, the Primary Liquidity Facility, the Policy, the Note Documents and all Applicable Certificates held by such Applicable Certificateholder (excluding all right, title and interest under any of the foregoing to the extent such right, title or interest is with respect to an obligation not then due and payable as respects any action or inaction or state of affairs occurring prior to such sale) (and the purchaser shall assume all of such Applicable Certificateholder's obligations under the Agreement, the Intercreditor Agreement, the Above-Cap Liquidity Facility, the Primary Liquidity Facility, the Policy, the Note Documents and all such Applicable Certificates) and (ii) if such purchase occurs

after a Record Date relating to any distribution and prior to or on the related Distribution Date, forthwith turn over to the purchaser(s) of its Applicable Certificate all amounts, if any, received by it on account of such distribution. The Applicable Certificates will be deemed to be purchased on the date payment of the purchase price is made notwithstanding the failure of the Applicable Certificateholders to deliver any Applicable Certificates and, upon such a purchase, (I) the only rights of the Applicable Certificateholders will be to deliver the Applicable Certificates to the purchaser(s) and receive the purchase price for such Applicable Certificates and (II) if the purchaser(s) shall so request, such Applicable Certificateholder will comply with all the provisions of Section 3.04 of the Basic Agreement to enable new Applicable Certificates to be issued to the purchaser in such denominations as it shall request. All charges and expenses in connection with the issuance of any such new Applicable Certificates shall be borne by the purchaser thereof.

As used in this Section 5.01 and elsewhere in this Trust Supplement, the terms “Class B Certificateholder”, “Class B Trust” and “Class B Trustee” shall have the respective meanings assigned to such terms in the Intercreditor Agreement.

(c) By their acceptance of the Applicable Certificates, the Applicable Certificateholders hereby agree that the surrender of the Policy to the Policy Provider for cancellation as contemplated in clauses (a) and (b) of this Section 5.01 shall (i) constitute an acknowledgment that the Applicable Certificates are no longer entitled to the benefits of Section 3.6 of the Intercreditor Agreement and (ii) without any further action by such Applicable Certificateholder, have the immediate effect of releasing the Policy Provider from its obligations under the Policy.

(d) This Section 5.01 supersedes and replaces Section 6.01(b) of the Basic Agreement, with respect to the Applicable Trust.

Section 5.02. Amendment of Section 6.05 of the Basic Agreement. Section 6.05 of the Basic Agreement shall be amended, with respect to the Applicable Trust, by deleting the phrase “and thereby annul any Direction given by such Certificateholders or the Trustee to such Loan Trustee with respect thereto,” set forth in the first sentence thereof.

ARTICLE VI THE TRUSTEE

Section 6.01. Delivery of Documents; Delivery Dates. (a) The Trustee is hereby directed (i) to execute and deliver the Intercreditor Agreement and the NPA on or prior to the Issuance Date, each in the form delivered to the Trustee by the Company, and (ii) subject to the respective terms thereof, to perform its obligations thereunder. Upon request of the Company and the satisfaction or waiver of the closing conditions specified in the Underwriting Agreement, the Trustee shall execute, deliver, authenticate, issue and sell Applicable Certificates in authorized denominations equaling in the aggregate the amount set forth, with respect to the Applicable Trust, in Schedule I to the Underwriting Agreement evidencing the entire ownership interest in the Applicable Trust, which amount equals the maximum aggregate principal amount of Equipment Notes which may be purchased by the Trustee pursuant to the NPA. Except as provided in Sections 3.03, 3.04, 3.05 and 3.06 of the Basic Agreement, the Trustee shall not

execute, authenticate or deliver Applicable Certificates in excess of the aggregate amount specified in this paragraph. The provisions of this Section 6.01(a) supersede and replace the first sentence of Section 3.02(a) of the Basic Agreement, with respect to the Applicable Trust.

(b) All provisions of the Basic Agreement relating to Postponed Notes and Section 2.02 of the Basic Agreement shall not apply to the Applicable Trust.

(c) The Trustee acknowledges its acceptance of all right, title and interest in and to the Trust Property to be acquired pursuant to the NPA, and declares that it holds and will hold such right, title and interest for the benefit of all present and future Applicable Certificateholders, upon the trusts set forth in the Agreement. By its acceptance of an Applicable Certificate, each initial Applicable Certificateholder, as a grantor of the Applicable Trust, joins with the Trustee in the creation of the Applicable Trust. The provisions of this Section 6.01(c) supersede and replace the provisions of Section 2.03 of the Basic Agreement, with respect to the Applicable Trust.

Section 6.02. The Trustee. (a) Subject to Section 6.03 of this Trust Supplement and Section 7.15 of the Basic Agreement, the Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Trust Supplement or the NPA or the due execution hereof or thereof by the Company or the other parties thereto (other than the Trustee), or for or in respect of the recitals and statements contained herein or therein, all of which recitals and statements are made solely by the Company, except that the Trustee hereby represents and warrants that each of this Trust Supplement, the Basic Agreement, each Applicable Certificate, the Intercreditor Agreement and the NPA has been executed and delivered by one of its officers who is duly authorized to execute and deliver such document on its behalf.

(b) Except as herein otherwise provided and except during the continuation of an Event of Default in respect of the Applicable Trust created hereby, no duties, responsibilities or liabilities are assumed, or shall be construed to be assumed, by the Trustee by reason of this Trust Supplement other than as set forth in the Agreement, and this Trust Supplement is executed and accepted on behalf of the Trustee, subject to all the terms and conditions set forth in the Agreement, as fully to all intents as if the same were herein set forth at length.

Section 6.03. Representations and Warranties of the Trustee. The Trustee hereby represents and warrants that:

(a) the Trustee has full power, authority and legal right to execute, deliver and perform this Trust Supplement, the Intercreditor Agreement and the Note Documents to which it is or is to become a party and has taken all necessary action to authorize the execution, delivery and performance by it of this Trust Supplement, the Intercreditor Agreement and the Note Documents to which it is or is to become a party;

(b) the execution, delivery and performance by the Trustee of this Trust Supplement, the Intercreditor Agreement and the Note Documents to which it is or is to become a party (i) will not violate any provision of any United States federal law or the law of the state of the United States where it is located governing the banking and trust

powers of the Trustee or any order, writ, judgment, or decree of any court, arbitrator or governmental authority applicable to the Trustee or any of its assets, (ii) will not violate any provision of the articles of association or by-laws of the Trustee, and (iii) will not violate any provision of, or constitute, with or without notice or lapse of time, a default under, or result in the creation or imposition of any lien on any properties included in the Trust Property pursuant to the provisions of any mortgage, indenture, contract, agreement or other undertaking to which it is a party, which violation, default or lien could reasonably be expected to have an adverse effect on the Trustee's performance or ability to perform its duties hereunder or thereunder or on the transactions contemplated herein or therein;

(c) the execution, delivery and performance by the Trustee of this Trust Supplement, the Intercreditor Agreement and the Note Documents to which it is or is to become a party will not require the authorization, consent, or approval of, the giving of notice to, the filing or registration with, or the taking of any other action in respect of, any governmental authority or agency of the United States or the state of the United States where it is located regulating the banking and corporate trust activities of the Trustee; and

(d) this Trust Supplement, the Intercreditor Agreement and the Note Documents to which it is or is to become a party have been, or will be, as applicable, duly executed and delivered by the Trustee and constitute, or will constitute, as applicable, the legal, valid and binding agreements of the Trustee, enforceable against it in accordance with their respective terms; provided, however, that enforceability may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally and (ii) general principles of equity.

Section 6.04. Trustee Liens. The Trustee in its individual capacity agrees, in addition to the agreements contained in Section 7.17 of the Basic Agreement, that it will at its own cost and expense promptly take any action as may be necessary to duly discharge and satisfy in full any Trustee's Liens on or with respect to the Trust Property which is attributable to the Trustee in its individual capacity and which is unrelated to the transactions contemplated by the Intercreditor Agreement or the NPA.

ARTICLE VII ADDITIONAL AMENDMENTS; SUPPLEMENTAL AGREEMENTS

Section 7.01. Amendment of Section 2.01 of the Basic Agreement. Section 2.01(b) of the Basic Agreement shall be amended, with respect to the Applicable Trust, by replacing the phrase "related Aircraft" in clause (11) thereof with the phrase "related Pledged Spare Parts".

Section 7.02. Amendment of Section 2.04 of the Basic Agreement. Section 2.04 of the Basic Agreement shall be amended, with respect to the Applicable Trust, by replacing the term "Aircraft" with the term "Pledged Spare Parts" in both locations where the term "Aircraft" appears.

Section 7.03. Amendment of Section 5.02 of the Basic Agreement. Section 5.02(a) of the Basic Agreement shall be amended in its entirety, with respect to the Applicable Trust, to read as follows:

“(a) the corporation formed by such consolidation or into which the Company is merged or the Person that acquires by conveyance, transfer or lease substantially all of the assets of the Company as an entirety shall be (i) organized and validly existing under the laws of the United States of America or any state thereof or the District of Columbia, (ii) a “citizen of the United States” as defined in 49 U.S.C. § 40102(a)(15), as amended, and (iii) a United States certificated air carrier, if and so long as such status is a condition of entitlement to the benefits of Section 1110 of the Bankruptcy Reform Act of 1978, as amended (11 U.S.C. § 1110), with respect to the Pledged Spare Parts;”.

Section 7.04. Amendment of Section 6.05 of the Basic Agreement. Section 6.05(2) of the Basic Agreement shall be amended in its entirety, with respect to the Applicable Trust, to read as follows:

“(2) in the payment of the principal of, Premium or Break Amount, if any, or interest on the Equipment Notes held in the Applicable Trust, or”.

Section 7.05. Amendment of Section 7.02 of the Basic Agreement. Section 7.02 of the Basic Agreement shall be amended in its entirety, with respect to the Applicable Trust, to read as follows:

“Section 7.02. Notice of Defaults. As promptly as practicable after, and in any event within 90 days after, the occurrence of any default (as such term is defined below) hereunder known to the Trustee, the Trustee shall transmit by mail to the Company, the Loan Trustee and the Applicable Certificateholders in accordance with Section 313(c) of the Trust Indenture Act, notice of such default hereunder known to the Trustee, unless such default shall have been cured or waived; provided, however, that, except in the case of a default in the payment of the principal, Premium, if any, Break Amount, if any, or interest on the Equipment Note, the Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee or a trust committee of directors and/or Responsible Officers of the Trustee in good faith shall determine that the withholding of such notice is in the interests of the Applicable Certificateholders. For the purpose of this Section 7.02 in respect of the Applicable Trust, the term “default” means any event that is, or after notice or lapse of time or both would become, an Event of Default in respect of the Applicable Trust.”

Section 7.06. Supplemental Agreements Without Consent of Applicable Certificateholders. Without limitation of Section 9.01 of the Basic Agreement, under the terms of, and subject to the limitations contained in, Section 9.01 of the Basic Agreement, the Company may (but will not be required to), and the Trustee (subject to Section 9.03 of the Basic Agreement) shall, at the Company’s request, at any time and from time to time enter into one or more agreements supplemental to the NPA, the Reference Agency Agreement, the Policy or the Policy Provider Agreement for any of the purposes set forth in clauses (1) through (9) of such Section 9.01, and (without limitation of the foregoing or Section 9.01 of the Basic Agreement)

(a) the reference in the introductory paragraph of Section 9.01 of the Basic Agreement to a “Liquidity Facility” shall be deemed to refer to “the Above-Cap Liquidity Facility and the Primary Liquidity Facility”, (b) clauses (2) and (3) of such Section 9.01 shall also be deemed to include the Company’s obligations under (in the case of clause (2)), and the Company’s rights and powers conferred by (in the case of clause (3)), the NPA, the Reference Agency Agreement, the Policy or the Policy Provider Agreement, and (c) references in clauses (4), (6) and (7) of such Section 9.01 to “any Intercreditor Agreement or any Liquidity Facility” shall also be deemed to refer to “the Intercreditor Agreement, the Above-Cap Liquidity Facility, the Primary Liquidity Facility, the Reference Agency Agreement, the NPA, the Policy or the Policy Provider Agreement”.

Section 7.07. Supplemental Agreements with Consent of Applicable Certificateholders. Without limitation of Section 9.02 of the Basic Agreement, the provisions of Section 9.02 of the Basic Agreement shall apply to agreements or amendments for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Above-Cap Liquidity Facility, the Primary Liquidity Facility, the Reference Agency Agreement, the NPA, the Policy or the Policy Provider Agreement or modifying in any manner the rights and obligations of the Applicable Certificateholders under the Above-Cap Liquidity Facility, the Primary Liquidity Facility, the Reference Agency Agreement, the NPA, the Policy or the Policy Provider Agreement.

Section 7.08. Consent of Holders of Certificates Issued under Other Trust. Notwithstanding any provision in Section 7.06 or Section 7.07 of this Trust Supplement to the contrary, no amendment or modification of Section 5.01 of this Trust Supplement shall be effective unless the Other Trustee of the Certificates issued by the Other Trust that are affected by such amendment or modification shall have consented thereto.

Section 7.09. Amendment of Section 12.11 of the Basic Agreement. Section 12.11 of the Basic Agreement shall be amended, with respect to the Applicable Trust, in its entirety to read as follows: “In any case where any Regular Distribution Date or Special Distribution Date relating to any Certificate of any series shall not be a Business Day with respect to such series, then (notwithstanding any other provision of this Agreement) payment need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on such Regular Distribution Date or Special Distribution Date, and interest shall accrue during the intervening period.”

ARTICLE VIII MISCELLANEOUS PROVISIONS

Section 8.01. Basic Agreement Ratified. Except and so far as herein expressly provided, all of the provisions, terms and conditions of the Basic Agreement are in all respects ratified and confirmed; and the Basic Agreement and this Trust Supplement shall be taken, read and construed as one and the same instrument. All replacements of provisions of, and other modifications of the Basic Agreement set forth in this Trust Supplement are solely with respect to the Applicable Trust.

Section 8.02. GOVERNING LAW. THE AGREEMENT AND THE APPLICABLE CERTIFICATES HAVE BEEN DELIVERED IN THE STATE OF NEW YORK AND SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS. THIS SECTION 8.02 SUPERSEDES AND REPLACES SECTION 12.05 OF THE BASIC AGREEMENT, WITH RESPECT TO THE APPLICABLE TRUST.

Section 8.03. Execution in Counterparts. This Trust Supplement may be executed in any number of counterparts, each of which shall be an original, but such counterparts shall together constitute but one and the same instrument.

Section 8.04. Intention of Parties. The parties hereto intend that the Applicable Trust be classified for U.S. federal income tax purposes as a grantor trust under Subpart E, Part I of Subchapter J of the Internal Revenue Code of 1986, as amended, and not as a trust or association taxable as a corporation or as a partnership. Each Applicable Certificateholder and Investor, by its acceptance of its Applicable Certificate or a beneficial interest therein, agrees to treat the Applicable Trust as a grantor trust for all U.S. federal, state and local income tax purposes. The powers granted and obligations undertaken pursuant to the Agreement shall be so construed so as to further such intent.

IN WITNESS WHEREOF, the Company and the Trustee have caused this Trust Supplement to be duly executed by their respective officers thereto duly authorized, as of the day and year first written above.

CONTINENTAL AIRLINES, INC.

By:

Name:

Title:

WILMINGTON TRUST COMPANY,
as Trustee

By: _____

Name:
Title:

EXHIBIT A

FORM OF CERTIFICATE

Certificate
No. ____

[UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN EXCHANGE FOR THIS CERTIFICATE IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.]*

CONTINENTAL AIRLINES PASS THROUGH TRUST 2006-1G

Continental Airlines
Pass Through Certificates, Series 2006-1G
Issuance Date: June 9, 2006

Final Maturity Date: June 2, 2015

Evidencing A Fractional Undivided Interest In The Continental Airlines Pass Through Trust 2006-1G, The Property Of Which Shall Include An Equipment Note Secured By Pledged Spare Parts Owned By Continental Airlines, Inc.

\$_____ Fractional Undivided Interest
representing 0.000526316% of the Trust per \$1,000 face amount

THIS CERTIFIES THAT _____, for value received, is the registered owner of a \$_____ (_____ DOLLARS) Fractional Undivided Interest in the Continental Airlines Pass Through Trust, 2006-1G (the "Trust") created by Wilmington Trust Company, as trustee (the "Trustee"), pursuant to a Pass Through Trust Agreement, dated as of

* This legend to appear on Book-Entry Certificates to be deposited with the Depository Trust Company.

September 25, 1997 (the "Basic Agreement"), between the Trustee and Continental Airlines, Inc., a Delaware corporation (the "Company"), as supplemented by Trust Supplement No. 2006-1G thereto, dated as of June 9, 2006 (the "Trust Supplement" and, together with the Basic Agreement, the "Agreement"), between the Trustee and the Company, a summary of certain of the pertinent provisions of which is set forth below. To the extent not otherwise defined herein, the capitalized terms used herein have the meanings assigned to them in the Agreement. This Certificate is one of the duly authorized Certificates designated as "Continental Airlines Pass Through Certificates, Series 2006-1G" (herein called the "Certificates"). This Certificate is issued under and is subject to the terms, provisions and conditions of the Agreement. By virtue of its acceptance hereof, the holder of this Certificate (the "Certificateholder" and, together with all other holders of Certificates issued by the Trust, the "Certificateholders") assents to and agrees to be bound by the provisions of the Agreement and the Intercreditor Agreement. The property of the Trust includes an Equipment Note and all rights of the Trust to receive payments under the Intercreditor Agreement, the NPA, the Policy, the Above-Cap Liquidity Facility and the Primary Liquidity Facility (the "Trust Property"). The Equipment Note is secured by, among other things, a security interest in certain aircraft spare parts owned by the Company.

The Certificates represent Fractional Undivided Interests in the Trust and the Trust Property and have no rights, benefits or interest in respect of any other separate trust established pursuant to the terms of the Basic Agreement for any other series of certificates issued pursuant thereto.

Subject to and in accordance with the terms of the Agreement and the Intercreditor Agreement, from funds then available to the Trustee, there will be distributed on March 2, June 2, September 2 and December 2 of each year (or, in any such case, if not a Business Day, the next succeeding Business Day) (each, a "Regular Distribution Date") commencing on September 2, 2006, to the Person in whose name this Certificate is registered at the close of business on the 15th day preceding the Regular Distribution Date, an amount in respect of the Scheduled Payments on the Equipment Note due on such Regular Distribution Date, the receipt of which has been confirmed by the Trustee, equal to the product of the percentage interest in the Trust evidenced by this Certificate and an amount equal to the sum of such Scheduled Payments. Subject to and in accordance with the terms of the Agreement and the Intercreditor Agreement, in the event that Special Payments on the Equipment Note are received by the Trustee, from funds then available to the Trustee, there shall be distributed on the applicable Special Distribution Date, to the Person in whose name this Certificate is registered at the close of business on the 15th day preceding the Special Distribution Date, an amount in respect of such Special Payments on the Equipment Note, the receipt of which has been confirmed by the Trustee, equal to the product of the percentage interest in the Trust evidenced by this Certificate and an amount equal to the sum of such Special Payments so received. If a Special Distribution Date is not a Business Day, distribution shall be made on the immediately following Business Day with the same force and effect as if made on such Special Distribution Date and interest shall accrue during the intervening period. The Trustee shall mail notice of each Special Payment and the Special Distribution Date therefor to the Certificateholder of this Certificate.

Distributions on this Certificate will be made by the Trustee by check mailed to the Person entitled thereto, without presentation or surrender of this Certificate or the making of any notation hereon, except that with respect to Certificates registered on the Record Date in the name of a Clearing Agency (or its nominee), such distribution shall be made by wire transfer. Except as otherwise provided in the Agreement and notwithstanding the above, the final distribution on this Certificate will be made after notice mailed by the Trustee of the pendency of such distribution and only upon presentation and surrender of this Certificate at the office or agency of the Trustee specified in such notice.

The Certificates do not represent a direct obligation of, or an obligation guaranteed by, or an interest in, the Company or the Trustee or any affiliate thereof. The Certificates are limited in right of payment, all as more specifically set forth on the face hereof and in the Agreement. All payments or distributions made to Certificateholders under the Agreement shall be made only from the Trust Property and only to the extent that the Trustee shall have sufficient income or proceeds from the Trust Property to make such payments in accordance with the terms of the Agreement. Each Certificateholder of this Certificate, by its acceptance hereof, agrees that it will look solely to the income and proceeds from the Trust Property to the extent available for distribution to such Certificateholder as provided in the Agreement. This Certificate does not purport to summarize the Agreement and reference is made to the Agreement for information with respect to the interests, rights, benefits, obligations, privileges, and duties evidenced hereby. A copy of the Agreement may be examined during normal business hours at the principal office of the Trustee, and at such other places, if any, designated by the Trustee, by any Certificateholder upon request.

The Agreement permits, with certain exceptions therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Certificateholders under the Agreement at any time by the Company and the Trustee with the consent of the Certificateholders holding Certificates evidencing Fractional Undivided Interests aggregating not less than a majority in interest in the Trust. Any such consent by the Certificateholder of this Certificate shall be conclusive and binding on such Certificateholder and upon all future Certificateholders of this Certificate and of any Certificate issued upon the transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent is made upon this Certificate. The Agreement also permits the amendment thereof, in certain limited circumstances, without the consent of the Certificateholders of any of the Certificates.

As provided in the Agreement and subject to certain limitations set forth therein, the transfer of this Certificate is registrable in the Register upon surrender of this Certificate for registration of transfer at the offices or agencies maintained by the Trustee in its capacity as Registrar, or by any successor Registrar, duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Trustee and the Registrar, duly executed by the Certificateholder hereof or such Certificateholder's attorney duly authorized in writing, and thereupon one or more new Certificates of authorized denominations evidencing the same aggregate Fractional Undivided Interest in the Trust will be issued to the designated transferee or transferees.

The Certificates are issuable only as registered Certificates without coupons in minimum denominations of \$1,000 Fractional Undivided Interest or integral multiples of \$1,000 in excess thereof, except that one Certificate may be issued in a different denomination. As provided in the Agreement and subject to certain limitations therein set forth, the Certificates are exchangeable for new Certificates of authorized denominations evidencing the same aggregate Fractional Undivided Interest in the Trust, as requested by the Certificateholder surrendering the same.

No service charge will be made for any such registration of transfer or exchange, but the Trustee shall require payment of a sum sufficient to cover any tax or governmental charge payable in connection therewith.

Each Certificateholder and Investor, by its acceptance of this Certificate or a beneficial interest herein, agrees to treat the Trust as a grantor trust for all U.S. federal, state and local income tax purposes.

The Trustee, the Registrar, and any agent of the Trustee or the Registrar may treat the person in whose name this Certificate is registered as the owner hereof for all purposes, and neither the Trustee, the Registrar nor any such agent shall be affected by any notice to the contrary.

The obligations and responsibilities created by the Agreement and the Trust created thereby shall terminate upon the distribution to Certificateholders of all amounts required to be distributed to them pursuant to the Agreement and the disposition of all property held as part of the Trust Property.

Any Person acquiring or accepting this Certificate or an interest herein will, by such acquisition or acceptance, be deemed to have represented and warranted to and for the benefit of the Company that either: (i) the assets of an employee benefit plan subject to Title I of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or of a plan subject to Section 4975 of the Internal Revenue Code of 1986, as amended (the "Code"), have not been used to purchase this Certificate or an interest herein or (ii) the purchase and holding of this Certificate or an interest herein are exempt from the prohibited transaction restrictions of ERISA and the Code pursuant to one or more prohibited transaction statutory or administrative exemptions.

THE AGREEMENT AND THIS CERTIFICATE HAVE BEEN DELIVERED IN THE STATE OF NEW YORK AND SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

Unless the certificate of authentication hereon has been executed by the Trustee, by manual signature, this Certificate shall not be entitled to any benefit under the Agreement or be valid for any purpose.

IN WITNESS WHEREOF, the Trustee has caused this Certificate to be duly executed.

CONTINENTAL AIRLINES PASS THROUGH
TRUST 2006-1G

By: WILMINGTON TRUST COMPANY,
as Trustee

By: _____

Name:
Title:



FORM OF THE TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Certificates referred to in the within-mentioned Agreement.

WILMINGTON TRUST COMPANY,
as Trustee

By: _____

Name:
Title:



EXHIBIT B

DTC Letter of Representations

TRUST SUPPLEMENT No. 2006-1B

Dated as of June 9, 2006

between

WILMINGTON TRUST COMPANY
as Trustee,

and

CONTINENTAL AIRLINES, INC.

to

PASS THROUGH TRUST AGREEMENT
Dated as of September 25, 1997

\$130,000,000

Continental Airlines Pass Through Trust 2006-1B
LIBOR + 3.125%
Continental Airlines
Pass Through Certificates,
Series 2006-1B

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Exhibit A [Form of Certificate](#)

This Trust Supplement No. 2006-1B, dated as of June 9, 2006 (herein called the "Trust Supplement"), between Continental Airlines, Inc., a Delaware corporation (the "Company"), and Wilmington Trust Company (the "Trustee"), to the Pass Through Trust Agreement, dated as of September 25, 1997, between the Company and the Trustee (the "Basic Agreement").

W I T N E S S E T H:

WHEREAS, the Basic Agreement, unlimited as to the aggregate principal amount of Certificates (unless otherwise specified herein, capitalized terms used herein without definition having the respective meanings specified in the Basic Agreement) which may be issued thereunder, has heretofore been executed and delivered;

WHEREAS, the Company intends to issue pursuant to the Indenture, on a recourse basis, up to (and including) two series of equipment notes (the "Equipment Notes") to be secured by, among other things, certain aircraft spare parts owned by the Company;

WHEREAS, the Trustee hereby declares the creation of the Continental Airlines Pass Through Trust 2006-1B (the "Applicable Trust") for the benefit of the Applicable Certificateholders, and the initial Applicable Certificateholders as the grantors of the Applicable Trust, by their respective acceptances of the Applicable Certificates, join in the creation of the Applicable Trust with the Trustee;

WHEREAS, all Certificates to be issued by the Applicable Trust will evidence fractional undivided interests in the Applicable Trust and will convey no rights, benefits or interests in respect of any property other than the Trust Property;

WHEREAS, pursuant to the terms and conditions of the Basic Agreement as supplemented by this Trust Supplement (the "Agreement") and the NPA (as defined below), the Trustee on behalf of the Applicable Trust, using the proceeds of the sale of the Applicable Certificates, shall purchase an Equipment Note having the same interest rate as, and final maturity date not later than the final Regular Distribution Date of, the Applicable Certificates issued hereunder and shall hold such Equipment Note in trust for the benefit of the Applicable Certificateholders;

WHEREAS, all of the conditions and requirements necessary to make this Trust Supplement, when duly executed and delivered, a valid, binding and legal instrument in accordance with its terms and for the purposes herein expressed, have been done, performed and fulfilled, and the execution and delivery of this Trust Supplement in the form and with the terms hereof have been in all respects duly authorized;

WHEREAS, this Trust Supplement is subject to the provisions of the Trust Indenture Act of 1939, as amended, and shall, to the extent applicable, be governed by such provisions.

NOW THEREFORE, in consideration of the premises herein, it is agreed between the Company and the Trustee as follows:

ARTICLE I
CREATION OF THE APPLICABLE CERTIFICATES

Section 1.01. The Applicable Certificates. There is hereby created a series of Certificates to be issued under the Agreement to be distinguished and known as “Continental Airlines Pass Through Certificates, Series 2006-1B” (hereinafter defined as the “Applicable Certificates”). Each Applicable Certificate represents a fractional undivided interest in the Applicable Trust created hereby. The Applicable Certificates shall be the only instruments evidencing a fractional undivided interest in the Applicable Trust.

The terms and conditions applicable to the Applicable Certificates are as follows:

- (a) The aggregate principal amount of the Applicable Certificates that shall be authenticated under the Agreement (except for Applicable Certificates authenticated and delivered pursuant to Sections 3.03 and 3.06 of the Basic Agreement and Sections 3.04 and 3.05 of this Trust Supplement) is \$130,000,000.
- (b) The Regular Distribution Dates with respect to any payment of Scheduled Payments means March 2, June 2, September 2 and December 2 of each year, commencing on September 2, 2006 (or, if any such date is not a Business Day, the next succeeding Business Day), until payment of all of the Scheduled Payments to be made under the Equipment Notes has been made.
- (c) The Special Distribution Dates with respect to the Applicable Certificates means any Business Day on which a Special Payment is to be distributed pursuant to the Agreement.
- (d) The Applicable Certificates shall be in the form attached hereto as Exhibit A. Any Person acquiring or accepting an Applicable Certificate or an interest therein will, by such acquisition or acceptance, be deemed to represent and warrant to and for the benefit of the Company that either (i) the assets of an employee benefit plan subject to Title I of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), or of a plan subject to Section 4975 of the Internal Revenue Code of 1986, as amended (the “Code”), have not been used to purchase Applicable Certificates or an interest therein or (ii) the purchase and holding of Applicable Certificates or an interest therein is exempt from the prohibited transaction restrictions of ERISA and the Code pursuant to one or more prohibited transaction statutory or administrative exemptions.
- (e) The “NPA” as defined in this Trust Supplement is the “Note Purchase Agreement” referred to in the Basic Agreement.
- (f) The Applicable Certificates are subject to the Intercreditor Agreement.

- (g) The Applicable Certificates will not have the benefit of a Liquidity Facility.
- (h) The Responsible Party is the Company.
- (i) The date referred to in clause (i) of the definition of the term “PTC Event of Default” in the Basic Agreement is the Final Maturity Date.
- (j) The “particular sections of the Note Purchase Agreement”, for purposes of clause (3) of Section 7.07 of the Basic Agreement, is Section 8.1 of the NPA.
- (k) The Equipment Note to be acquired and held in the Applicable Trust, and the related Pledged Spare Parts and Note Documents are described in the NPA.
- (l) For purposes of Section 2.01(b)(4) of the Basic Agreement, there shall be no Cut-off Date with respect to the Applicable Certificates.
- (m) For purposes of the second paragraph of Section 11.01 of the Basic Agreement, the notice of any termination of the Applicable Trust shall be mailed promptly by the Trustee to the Applicable Certificateholders not earlier than 60 days and not later than 15 days preceding the final distribution referenced in such Section.

ARTICLE II DEFINITIONS

Section 2.01. Definitions. For all purposes of the Basic Agreement as supplemented by this Trust Supplement, the following capitalized terms have the following meanings (any term used herein which is defined in both this Trust Supplement and the Basic Agreement shall have the meaning assigned thereto in this Trust Supplement for purposes of the Basic Agreement as supplemented by this Trust Supplement):

Above-Cap Liquidity Provider: Means, initially, Morgan Stanley Capital Services Inc., a corporation organized under the laws of the state of Delaware, and any replacements or successors therefor appointed in accordance with the Intercreditor Agreement.

Agreement: Has the meaning specified in the recitals hereto.

Applicable Certificate: Has the meaning specified in Section 1.01 of this Trust Supplement.

Applicable Certificateholder: Means the Person in whose name an Applicable Certificate is registered on the Register for the Applicable Certificates.

Applicable Trust: Has the meaning specified in the recitals hereto.

Basic Agreement: Has the meaning specified in the first paragraph of this Trust Supplement.

Break Amount: Has the meaning specified in the Indenture.

Business Day: Means any day other than a Saturday, a Sunday or a day on which commercial banks are required or authorized to close in Houston, Texas; New York, New York; or, so long as any Applicable Certificate is Outstanding, the city and state in which the Trustee, the Subordination Agent or the Loan Trustee maintains its Corporate Trust Office or receives and disburses funds and which is also a day for trading by and between banks in the London interbank Eurodollar markets.

Certain Excess Reimbursement Obligations: Means any amounts referred to in clause (c) of the definition of "Excess Reimbursement Obligations" in the Intercreditor Agreement.

Certificate: Has the meaning specified in the Intercreditor Agreement.

Class: Has the meaning specified in the Intercreditor Agreement.

Collateral: Has the meaning specified in the Indenture.

Company: Has the meaning specified in the first paragraph of this Trust Supplement.

Controlling Party: Has the meaning specified in the Intercreditor Agreement.

Distribution Date: Means any Regular Distribution Date or Special Distribution Date as the context requires.

Equipment Notes: Has the meaning specified in the recitals hereto.

Final Maturity Date: June 2, 2013.

Indenture: Means the Trust Indenture and Mortgage dated as of June 9, 2006 between the Company and the Loan Trustee, as amended, supplemented or otherwise modified from time to time in accordance with its terms.

Intercreditor Agreement: Means the Intercreditor Agreement (2006-1) dated as of June 9, 2006 among the Trustee, the Other Trustee, the Above-Cap Liquidity Provider, the Primary Liquidity Provider, the Policy Provider and Wilmington Trust Company, as Subordination Agent and as trustee thereunder, as amended, supplemented or otherwise modified from time to time in accordance with its terms.

Investors: Means the Underwriter, together with all subsequent beneficial owners of the Applicable Certificates.

Issuance Date: Means the date of the issuance of the Applicable Certificates to the Underwriter pursuant to the Underwriting Agreement.

Liquidity Obligations: Has the meaning assigned to such term in the Intercreditor Agreement.

Note Documents: Means the Equipment Notes with respect to the Applicable Certificates, the Indenture and the NPA.

NPA: Means the Note Purchase Agreement dated as of June 9, 2006 among the Trustee, the Other Trustee, the Company, the Loan Trustee and the Subordination Agent, providing for, among other things, the purchase of the applicable Equipment Note by the Trustee on behalf of the Applicable Trust, as the same may be amended, supplemented or otherwise modified from time to time, in accordance with its terms.

Operative Agreements: Has the meaning assigned to such term in the Intercreditor Agreement.

Other Agreement: Means the Basic Agreement as supplemented by Trust Supplement No. 2006-1G dated the date hereof relating to the Other Trust.

Other Trust: Means the Continental Airlines Pass Through Trust 2006-1G, created by the Other Agreement.

Other Trustee: Means the trustee under the Other Agreement, and any successor or other trustee appointed as provided therein.

Pledged Spare Parts: Has the meaning assigned to such term in the Indenture.

Policy Provider: Has the meaning specified in the Intercreditor Agreement.

Policy Provider Amounts: Has the meaning specified in the Intercreditor Agreement.

Policy Provider Default: Has the meaning specified in the Intercreditor Agreement.

Policy Provider Obligations: Has the meaning assigned to such term in the Intercreditor Agreement.

Pool Balance: Means, as of any date, (i) the original aggregate face amount of the Applicable Certificates less (ii) the aggregate amount of all payments made as of such date in respect of such Applicable Certificates other than payments made in respect of interest or Premium or Break Amount thereon or reimbursement of any costs or expenses incurred in connection therewith. The Pool Balance as of any date shall be computed

after giving effect to any payment of principal of the Equipment Notes or payment with respect to other Trust Property and the distribution thereof to be made on that date.

Pool Factor: Means, as of any date, the quotient (rounded to the seventh decimal place) computed by dividing (i) the Pool Balance by (ii) the original aggregate face amount of the Applicable Certificates. The Pool Factor as of any date shall be computed after giving effect to any payment of principal of the Equipment Notes or payment with respect to other Trust Property and the distribution thereof to be made on that date.

Premium: Has the meaning specified in the Indenture.

Primary Liquidity Facility: Means, initially, the Revolving Credit Agreement dated as of June 9, 2006, between Wilmington Trust Company, as Subordination Agent, as agent and trustee for the Class G Trust, and the initial Primary Liquidity Provider, and, from and after the replacement of such Revolving Credit Agreement pursuant to the Intercreditor Agreement, the replacement liquidity facility therefor, if any, in each case as amended, supplemented or otherwise modified from time to time in accordance with its terms.

Primary Liquidity Provider: Means, initially, Morgan Stanley Bank, an industrial bank organized under the laws of the state of Utah, and any replacements or successors therefor appointed in accordance with the Intercreditor Agreement.

PTC Event of Default: Has the meaning assigned to such term in the Intercreditor Agreement.

QIB: Means a qualified institutional buyer as defined in Rule 144A.

Reference Agency Agreement: Has the meaning specified in the NPA.

Register: Has the meaning specified in Section 3.04 of this Trust Supplement.

Registrar: Has the meaning specified in Section 3.04 of this Trust Supplement.

Restricted Definitive Certificates: Has the meaning specified in Section 3.01 of this Trust Supplement.

Restricted Legend: Has the meaning specified in Section 3.02 of this Trust Supplement.

Rule 144A: Means Rule 144A under the Securities Act and any successor rule thereto.

Scheduled Payment: Has the meaning assigned to such term in the Intercreditor Agreement.

Securities Act: Means the United States Securities Act of 1933, as amended from time to time, or any successor thereto.

Special Payment: Means any payment (other than a Scheduled Payment) in respect of, or any proceeds of, any Equipment Note or Collateral (as defined in the Indenture).

Stated Interest Rate: Has the meaning specified in the Intercreditor Agreement as such meaning is applicable to the Applicable Certificates.

Triggering Event: Has the meaning assigned to such term in the Intercreditor Agreement.

Trust Property: Means (i) subject to the Intercreditor Agreement, the Equipment Note held as the property of the Applicable Trust, all monies at any time paid thereon and all monies due and to become due thereunder, (ii) funds from time to time deposited in the Certificate Account and the Special Payments Account and, subject to the Intercreditor Agreement, any proceeds from the sale by the Trustee pursuant to Article VI of the Basic Agreement of the Equipment Note and (iii) all rights of the Applicable Trust and the Trustee, on behalf of the Applicable Trust, under the Intercreditor Agreement and the NPA, including, without limitation, all rights to receive certain payments thereunder, and all monies paid to the Trustee on behalf of the Applicable Trust pursuant to the Intercreditor Agreement or the NPA.

Trust Supplement: Has the meaning specified in the first paragraph of this trust supplement.

Trustee: Has the meaning specified in the first paragraph of this Trust Supplement.

Underwriter: Means Morgan Stanley & Co. Incorporated.

Underwriting Agreement: Means the Underwriting Agreement dated as of May 24, 2006 between the Underwriter and the Company, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

ARTICLE III TRANSFER OF THE APPLICABLE CERTIFICATES

Section 3.01. Issuance of Applicable Certificates. The Applicable Certificates shall be issued and will only be available in the form of one or more certificated securities in definitive, fully registered form without interest coupons substantially in the form of Exhibit A hereto with such applicable legends as are provided for in Section 3.02 (each, a "Restricted Definitive Certificate") duly executed and authenticated by the Trustee as hereinafter provided. The initial Restricted Definitive Certificates, delivered at the closing in accordance with the

Underwriting Agreement, shall be registered in the name or names designated by the Underwriter.

Section 3.02. Restrictive Legends. All Applicable Certificates issued pursuant to the Agreement shall bear a legend to the following effect (the "Restricted Legend"):

THIS CERTIFICATE IS SUBJECT TO TRANSFER RESTRICTIONS. BY ITS ACQUISITION HEREOF, THE HOLDER (1) REPRESENTS THAT IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT); (2) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THIS CERTIFICATE EXCEPT TO A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT); AND (3) AGREES THAT IF IT SHOULD RESELL OR OTHERWISE TRANSFER THIS CERTIFICATE IT WILL DELIVER TO EACH PERSON TO WHOM THIS CERTIFICATE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. IN CONNECTION WITH ANY TRANSFER OF THIS CERTIFICATE, THE TRANSFEREE MUST COMPLETE THE FORM ON THE REVERSE HEREOF RELATING TO THE MANNER OF SUCH TRANSFER AND SUBMIT SUCH FORM TO THE PASS THROUGH TRUSTEE. THE PASS THROUGH TRUST AGREEMENT CONTAINS A PROVISION REQUIRING THE REGISTRAR TO REFUSE TO REGISTER ANY TRANSFER OF THIS CERTIFICATE IN VIOLATION OF THE FOREGOING RESTRICTIONS.

Section 3.03. Amendment of Sections 3.04 and 3.05 of the Basic Agreement. Sections 3.04 and 3.05 of this Trust Supplement supersede and replace Sections 3.04 and 3.05 of the Basic Agreement, with respect to the Applicable Trust.

Section 3.04. Transfer and Exchange. The Trustee shall cause to be kept at the office or agency to be maintained by it in accordance with the provisions of Section 7.12 of the Basic Agreement a register (the "Register") of the Applicable Certificates in which, subject to such reasonable regulations as it may prescribe, the Trustee shall provide for the registration of such Applicable Certificates and of transfers and exchanges of such Applicable Certificates as herein provided. The Trustee shall initially be the registrar (the "Registrar") for the purpose of registering such Applicable Certificates and transfers and exchanges of such Applicable Certificates as herein provided.

All Applicable Certificates issued upon any registration of transfer or exchange of Applicable Certificates shall be valid obligations of the Applicable Trust, evidencing the same interest therein, and entitled to the same benefits under this Agreement, as the Applicable Certificates surrendered upon such registration of transfer or exchange.

An Applicable Certificateholder may transfer, in whole or in part, an Applicable Certificate, or request that an Applicable Certificate be exchanged, in whole or in part, for Applicable Certificates in authorized denominations in an aggregate Fractional Undivided Interest equal to the Fractional Undivided Interest of such Applicable Certificate surrendered for

exchange of other authorized denominations, by surrender of such Applicable Certificate to the Trustee with the form of transfer notice thereon duly completed and executed, and otherwise complying with the terms of the Agreement, including providing evidence of compliance with any restrictions on transfer, in form satisfactory to the Trustee and the Registrar. No such transfer shall be effected until, and such transferee shall succeed to the rights of an Applicable Certificateholder only upon, final acceptance and registration of the transfer by the Registrar in the Register. Prior to the registration of any transfer by an Applicable Certificateholder as provided herein, the Trustee shall treat the person in whose name the Applicable Certificate is registered as the owner thereof for all purposes, and the Trustee shall not be affected by notice to the contrary. When Applicable Certificates are presented to the Registrar with a request to register the transfer thereof or to exchange them for other authorized denominations of an Applicable Certificate in a Fractional Undivided Interest equal to the aggregate Fractional Undivided Interest of Applicable Certificates surrendered for exchange, the Registrar shall register the transfer or make the exchange as requested if its requirements for such transactions are met.

The Registrar shall not register the transfer or exchange of any Applicable Certificate in the name of any Person unless and until evidence satisfactory to the Company and the Trustee that the conditions to any such transfer or exchange set forth in Section 3.05 shall have been satisfied is submitted to them. Such conditions shall be deemed satisfied with respect to a transfer if the transferor and transferee duly execute and deliver to the Trustee the transfer notice in the form attached to the Applicable Certificates, unless the Company or the Trustee has a reasonable basis for requesting additional evidence.

To permit registrations of transfers and exchanges in accordance with the terms, conditions and restrictions hereof, the Trustee shall execute and authenticate Applicable Certificates at the Registrar's request. No service charge shall be made to an Applicable Certificateholder for any registration of transfer or exchange of Applicable Certificates, but the Trustee shall require payment of a sum sufficient to cover any tax or governmental charge that may be imposed in connection with any transfer or exchange of Applicable Certificates. All Applicable Certificates surrendered for registration of transfer or exchange shall be canceled and subsequently destroyed by the Trustee.

Section 3.05. Special Transfer Provisions.

(a) Transfers Limited to QIBs. If an Applicable Certificate is to be transferred, the Registrar shall register the transfer only if such transfer is being made to a proposed transferee who has provided the transfer notice attached to the form of Applicable Certificate stating that it is purchasing the Applicable Certificate for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a QIB within the meaning of Rule 144A.

(b) Restricted Legend. Upon the transfer, exchange or replacement of Applicable Certificates, the Registrar shall deliver only Applicable Certificates that bear the Restricted Legend.

(c) General. By acceptance of any Applicable Certificate, each Holder of such an Applicable Certificate will be deemed to:

(i) Represent that it is accepting such Applicable Certificate for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a QIB;

(ii) Agree that any sale or other transfer by it of any Applicable Certificate will only be made to a QIB;

(iii) Agree that it will deliver to each person to whom it transfers Applicable Certificates notice of these restrictions on transfer of the Applicable Certificates;

(iv) Agree that no registration of the transfer of an Applicable Certificate will be made unless the transferee completes and submits to the Trustee the form included on the reverse of the Applicable Certificate in which it states that it is purchasing the Applicable Certificate for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a QIB;

(v) Understand that the Applicable Certificates will bear a legend substantially to the effect of the Restricted Legend;

(vi) Acknowledge that the Company, the Trustee, the Underwriter, and others will rely on the truth and accuracy of the foregoing acknowledgments, representations, warranties and agreements and agree that, if any of the acknowledgments, representations, warranties and agreements deemed to have been made by its purchase of the Applicable Certificates is no longer accurate, it shall promptly notify the Company, the Trustee and the Underwriter. If it is acquiring any Applicable Certificates as a fiduciary or agent of one or more investor accounts, it represents that it has sole investment discretion with respect to each such investor account and that it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such investor account;

(vii) Acknowledge that the foregoing restrictions apply to holders of beneficial interests in the Applicable Certificates as well as to registered holders of Applicable Certificates; and

(viii) Acknowledge that the Trustee will not be required to accept for registration of transfer any Applicable Certificate unless evidence satisfactory to the Company and the Trustee that the restrictions on transfer set forth herein have been complied with is submitted to them.

Until such time as no Applicable Certificates remain Outstanding, the Registrar shall retain copies of all letters, notices and other written communications received pursuant to this Section 3.05. The Trustee, if not the Registrar at such time, shall have the right to inspect and make copies of all such letters, notices or other written communications at any reasonable time upon the giving of reasonable written notice to the Registrar.

ARTICLE IV
STATEMENTS TO APPLICABLE CERTIFICATEHOLDERS

Section 4.01. [Reserved].

Section 4.02. Statements to Applicable Certificateholders. (a) On each Distribution Date, the Trustee will include with each distribution to Applicable Certificateholders of a Scheduled Payment or Special Payment, as the case may be, a statement setting forth the information provided below. Such statement shall set forth (per \$1,000 face amount Applicable Certificate as to (ii) and (iii) below) the following information:

- (i) the aggregate amount of funds distributed on such Distribution Date under the Agreement, indicating the amount allocable to each source;
- (ii) the amount of such distribution under the Agreement allocable to principal and the amount allocable to Premium and Break Amount, if any;
- (iii) the amount of such distribution under the Agreement allocable to interest;
- (iv) the Pool Balance and the Pool Factor; and
- (v) the LIBOR rates and the resulting Stated Interest Rate on the Applicable Certificates for the current and immediately preceding Interest Periods.

(b) Within a reasonable period of time after the end of each calendar year but not later than the latest date permitted by law, the Trustee shall furnish to each Person who at any time during such calendar year was an Applicable Certificateholder of record a statement containing the sum of the amounts determined pursuant to clauses (a)(i), (a)(ii) and (a)(iii) above for such calendar year or, in the event such Person was an Applicable Certificateholder of record during a portion of such calendar year, for such portion of such calendar year, and such other items as are readily available to the Trustee and which an Applicable Certificateholder shall reasonably request as necessary for the purpose of such Applicable Certificateholder's preparation of its U.S. federal income tax returns. Such statement and such other items shall be prepared on the basis of information supplied to the Trustee by the Applicable Certificateholders.

(c) Promptly following the date of any early redemption or purchase of, or any default in the payment of principal or interest in respect of, any of the Equipment Notes held in the Applicable Trust, the Trustee shall furnish to Applicable Certificateholders of record on such date a statement setting forth (x) the expected Pool Balances for each subsequent Regular Distribution Date, (y) the related Pool Factors for such Regular Distribution Dates and (z) the expected principal distribution schedule of the Equipment Note held as Trust Property at the date of such notice.

- (d) This Section 4.02 supersedes and replaces Section 4.03 of the Basic Agreement, with respect to the Applicable Trust.

Section 4.03. Distributions from Special Payments Account.

(a) On each Special Distribution Date with respect to any Special Payment or as soon thereafter as the Trustee has confirmed receipt of any Special Payments due on the Equipment Note held (subject to the Intercreditor Agreement) in the Applicable Trust or realized upon the sale of such Equipment Note, the Trustee shall distribute out of the Special Payments Account the entire amount of such Special Payment deposited therein pursuant to Section 4.01(b) of the Basic Agreement. There shall be so distributed to each Applicable Certificateholder of record on the Record Date with respect to such Special Distribution Date (other than as provided in Section 11.01 of the Basic Agreement concerning the final distribution) by check mailed to such Applicable Certificateholder, at the address appearing in the Register, such Applicable Certificateholder's pro rata share (based on the Fractional Undivided Interest in the Applicable Trust held by such Applicable Certificateholder) of the total amount in the Special Payments Account on account of such Special Payment.

(b) The Trustee shall, at the expense of the Company, cause notice of each Special Payment to be mailed to each Applicable Certificateholder at his address as it appears in the Register. In the event of redemption or purchase of the Equipment Note held in the Applicable Trust, such notice shall be mailed not less than 15 days prior to the Special Distribution Date for the Special Payment resulting from such redemption or purchase, which Special Distribution Date shall be the date of such redemption or purchase. In the case of any other Special Payments, such notice shall be mailed as soon as practicable after the Trustee has confirmed that it has received funds for such Special Payment, stating the Special Distribution Date for such Special Payment which shall occur not less than 15 days after the date of such notice and as soon as practicable thereafter. Notices mailed by the Trustee shall set forth:

(i) the Special Distribution Date and the Record Date therefor (except as otherwise provided in Section 11.01 of the Basic Agreement),

(ii) the amount of the Special Payment for each \$1,000 face amount Applicable Certificate and the amount thereof constituting principal, Premium or Break Amount, if any, and interest,

(iii) the reason for the Special Payment, and

(iv) if the Special Distribution Date is the same date as a Regular Distribution Date, the total amount to be received on such date for each \$1,000 face amount Applicable Certificate.

If the amount of Premium or Break Amount, if any, payable upon the redemption or purchase of the Equipment Note has not been calculated at the time that the Trustee mails notice of a Special Payment, it shall be sufficient if the notice sets forth the other amounts to be distributed and states that any Premium or Break Amount received will also be distributed.

If any redemption of the Equipment Note held in the Applicable Trust is canceled, the Trustee, as soon as possible after learning thereof, shall cause notice thereof to be mailed to each Applicable Certificateholder at its address as it appears on the Register.

(c) This Section 4.03 supersedes and replaces Section 4.02(b) and Section 4.02(c) of the Basic Agreement in their entirety, with respect to the Applicable Trust.

Section 4.04. Limitation of Liability for Payments. Section 3.09 of the Basic Agreement shall be amended, with respect to the Applicable Trust, by deleting the phrase “, the Loan Trustees, the Owner Trustees or the Owner Participants” in the second sentence thereof and adding in lieu thereof “or the Loan Trustees”.

ARTICLE V DEFAULT

Section 5.01. Purchase Rights of Certificateholders. (a) At any time after the occurrence and during the continuation of a Triggering Event, each Applicable Certificateholder (other than the Company or any of its Affiliates) shall have the right to purchase, for the purchase prices set forth in the Class G Trust Agreement all, but not less than all, of the Class G Certificates upon ten days’ written notice to the Class G Trustee and each other Applicable Certificateholder; provided that (i) if prior to the end of such ten-day period any other Applicable Certificateholder (other than the Company or any of its Affiliates) notifies such purchasing Applicable Certificateholder that such other Applicable Certificateholder (other than the Company or any of its Affiliates) wants to participate in such purchase, then such other Applicable Certificateholder may join with the purchasing Applicable Certificateholder to purchase all, but not less than all, of the Class G Certificates pro rata based on the Fractional Undivided Interest in the Applicable Trust held by each such Applicable Certificateholder and (ii) if prior to the end of such ten-day period any other Applicable Certificateholder fails to notify the purchasing Applicable Certificateholder of such other Applicable Certificateholder’s desire to participate in such a purchase, then such other Applicable Certificateholder shall lose its right to purchase the Class G Certificates pursuant to this Section 5.01(a).

As used in this Section 5.01 and elsewhere in this Trust Supplement, the terms “Class G Trust Agreement”, “Class G Certificateholder”, “Class G Trust” and “Class G Trustee” shall have the respective meanings assigned to such terms in the Intercreditor Agreement.

(b) Following any purchase of the Class G Certificates pursuant to Section 5.01(a) above, the purchasing Applicable Certificateholders shall have the right to surrender the Policy to the Policy Provider for cancellation (thereby releasing the Policy Provider from its obligations under the Policy) and to pay (or cause to be paid) both of the following: (i) to the Policy Provider, to the extent not paid otherwise, all Policy Provider Amounts (other than Certain Excess Reimbursement Obligations) and (ii) to the Primary Liquidity Provider all outstanding Liquidity Obligations in accordance with the terms and conditions set forth in the Other Agreement. Upon such surrender and payments, the Primary Liquidity Facility shall be terminated in accordance therewith. Following any such surrender of the Policy to the Policy Provider for cancellation and payment of the Policy Provider Amounts (other than Certain Excess Reimbursement Obligations) and the Liquidity Obligations, the Class G Certificates shall no longer be entitled to the benefits of the Policy or the Primary Liquidity Facility.

As used in this Section 5.01 and elsewhere in this Trust Supplement, the term “Policy” shall have the meaning assigned to such term in the Intercreditor Agreement.

- (c) This Section 5.01 supersedes and replaces Section 6.01(b) of the Basic Agreement, with respect to the Applicable Trust.

Section 5.02. Amendment of Section 6.05 of the Basic Agreement. Section 6.05 of the Basic Agreement shall be amended, with respect to the Applicable Trust, by deleting the phrase “and thereby annul any Direction given by such Certificateholders or the Trustee to such Loan Trustee with respect thereto”, set forth in the first sentence thereof.

ARTICLE VI THE TRUSTEE

Section 6.01. Delivery of Documents; Delivery Dates. (a) The Trustee is hereby directed (i) to execute and deliver the Intercreditor Agreement and the NPA on or prior to the Issuance Date, each in the form delivered to the Trustee by the Company, and (ii) subject to the respective terms thereof, to perform its obligations thereunder. Upon request of the Company and the satisfaction or waiver of the closing conditions specified in the Underwriting Agreement, the Trustee shall execute, deliver, authenticate, issue and sell Applicable Certificates in authorized denominations equaling in the aggregate the amount set forth, with respect to the Applicable Trust, in Schedule I to the Underwriting Agreement evidencing the entire ownership interest in the Applicable Trust, which amount equals the maximum aggregate principal amount of Equipment Notes which may be purchased by the Trustee pursuant to the NPA. Except as provided in Sections 3.03 and 3.06 of the Basic Agreement and Sections 3.04 and 3.05 of this Trust Supplement, the Trustee shall not execute, authenticate or deliver Applicable Certificates in excess of the aggregate amount specified in this paragraph. The provisions of this Section 6.01(a) supersede and replace the first sentence of Section 3.02(a) of the Basic Agreement, with respect to the Applicable Trust.

(b) All provisions of the Basic Agreement relating to Postponed Notes and Section 2.02 of the Basic Agreement shall not apply to the Applicable Trust.

(c) The Trustee acknowledges its acceptance of all right, title and interest in and to the Trust Property to be acquired pursuant to the NPA, and declares that it holds and will hold such right, title and interest for the benefit of all present and future Applicable Certificateholders, upon the trusts set forth in the Agreement. By its acceptance of an Applicable Certificate, each initial Applicable Certificateholder, as a grantor of the Applicable Trust, joins with the Trustee in the creation of the Applicable Trust. The provisions of this Section 6.01(c) supersede and replace the provisions of Section 2.03 of the Basic Agreement, with respect to the Applicable Trust.

Section 6.02. The Trustee. (a) Subject to Section 6.03 of this Trust Supplement and Section 7.15 of the Basic Agreement, the Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Trust Supplement or the NPA or the due execution hereof or thereof by the Company or the other parties thereto (other than the Trustee), or for or in respect of the recitals and statements contained herein or therein, all of which recitals and statements are made solely by the Company, except that the Trustee hereby represents and warrants that each of this Trust Supplement, the Basic Agreement, each Applicable Certificate, the Intercreditor Agreement and the NPA has been executed and

delivered by one of its officers who is duly authorized to execute and deliver such document on its behalf.

(b) Except as herein otherwise provided and except during the continuation of an Event of Default in respect of the Applicable Trust created hereby, no duties, responsibilities or liabilities are assumed, or shall be construed to be assumed, by the Trustee by reason of this Trust Supplement other than as set forth in the Agreement, and this Trust Supplement is executed and accepted on behalf of the Trustee, subject to all the terms and conditions set forth in the Agreement, as fully to all intents as if the same were herein set forth at length.

Section 6.03. Representations and Warranties of the Trustee. The Trustee hereby represents and warrants that:

(a) the Trustee has full power, authority and legal right to execute, deliver and perform this Trust Supplement, the Intercreditor Agreement and the Note Documents to which it is or is to become a party and has taken all necessary action to authorize the execution, delivery and performance by it of this Trust Supplement, the Intercreditor Agreement and the Note Documents to which it is or is to become a party;

(b) the execution, delivery and performance by the Trustee of this Trust Supplement, the Intercreditor Agreement and the Note Documents to which it is or is to become a party (i) will not violate any provision of any United States federal law or the law of the state of the United States where it is located governing the banking and trust powers of the Trustee or any order, writ, judgment, or decree of any court, arbitrator or governmental authority applicable to the Trustee or any of its assets, (ii) will not violate any provision of the articles of association or by-laws of the Trustee, and (iii) will not violate any provision of, or constitute, with or without notice or lapse of time, a default under, or result in the creation or imposition of any lien on any properties included in the Trust Property pursuant to the provisions of any mortgage, indenture, contract, agreement or other undertaking to which it is a party, which violation, default or lien could reasonably be expected to have an adverse effect on the Trustee's performance or ability to perform its duties hereunder or thereunder or on the transactions contemplated herein or therein;

(c) the execution, delivery and performance by the Trustee of this Trust Supplement, the Intercreditor Agreement and the Note Documents to which it is or is to become a party will not require the authorization, consent, or approval of, the giving of notice to, the filing or registration with, or the taking of any other action in respect of, any governmental authority or agency of the United States or the state of the United States where it is located regulating the banking and corporate trust activities of the Trustee; and

(d) this Trust Supplement, the Intercreditor Agreement and the Note Documents to which it is or is to become a party have been, or will be, as applicable, duly executed and delivered by the Trustee and constitute, or will constitute, as applicable, the legal, valid and binding agreements of the Trustee, enforceable against it in accordance with their respective terms; provided, however, that enforceability may be limited by

(i) applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally and (ii) general principles of equity.

Section 6.04. Trustee Liens. The Trustee in its individual capacity agrees, in addition to the agreements contained in Section 7.17 of the Basic Agreement, that it will at its own cost and expense promptly take any action as may be necessary to duly discharge and satisfy in full any Trustee's Liens on or with respect to the Trust Property which is attributable to the Trustee in its individual capacity and which is unrelated to the transactions contemplated by the Intercreditor Agreement or the NPA.

ARTICLE VII
ADDITIONAL AMENDMENTS; SUPPLEMENTAL AGREEMENTS

Section 7.01. Amendment of Section 2.01 of the Basic Agreement. Section 2.01(b) of the Basic Agreement shall be amended, with respect to the Applicable Trust, by replacing the phrase "related Aircraft" in clause (11) thereof with the phrase "related Pledged Spare Parts".

Section 7.02. Amendment of Section 2.04 of the Basic Agreement. Section 2.04 of the Basic Agreement shall be amended, with respect to the Applicable Trust, by replacing the term "Aircraft" with the term "Pledged Spare Parts" in both locations where the term "Aircraft" appears.

Section 7.03. Amendment of Section 5.02 of the Basic Agreement. Section 5.02(a) of the Basic Agreement shall be amended in its entirety, with respect to the Applicable Trust, to read as follows:

"(a) the corporation formed by such consolidation or into which the Company is merged or the Person that acquires by conveyance, transfer or lease substantially all of the assets of the Company as an entirety shall be (i) organized and validly existing under the laws of the United States of America or any state thereof or the District of Columbia, (ii) a "citizen of the United States" as defined in 49 U.S.C. § 40102(a)(15), as amended, and (iii) a United States certificated air carrier, if and so long as such status is a condition of entitlement to the benefits of Section 1110 of the Bankruptcy Reform Act of 1978, as amended (11 U.S.C. § 1110), with respect to the Pledged Spare Parts;"

Section 7.04. Amendment of Section 6.05 of the Basic Agreement. Section 6.05(2) of the Basic Agreement shall be amended in its entirety, with respect to the Applicable Trust, to read as follows:

"(2) in the payment of the principal of, Premium or Break Amount, if any, or interest on the Equipment Notes held in the Applicable Trust, or".

Section 7.05 Amendment of Section 7.02 of the Basic Agreement. Section 7.02 of the Basic Agreement shall be amended in its entirety, with respect to the Applicable Trust, to read as follows:

“Section 7.02. Notice of Defaults. As promptly as practicable after, and in any event within 90 days after, the occurrence of any default (as such term is defined below) hereunder known to the Trustee, the Trustee shall transmit by mail to the Company, the Loan Trustee and the Applicable Certificateholders in accordance with Section 313(c) of the Trust Indenture Act, notice of such default hereunder known to the Trustee, unless such default shall have been cured or waived; provided, however, that, except in the case of a default in the payment of the principal, Premium, if any, Break Amount, if any, or interest on the Equipment Note, the Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee or a trust committee of directors and/or Responsible Officers of the Trustee in good faith shall determine that the withholding of such notice is in the interests of the Applicable Certificateholders. For the purpose of this Section 7.02 in respect of the Applicable Trust, the term “default” means any event that is, or after notice or lapse of time or both would become, an Event of Default in respect of the Applicable Trust.”

Section 7.06. Supplemental Agreements Without Consent of Applicable Certificateholders. Without limitation of Section 9.01 of the Basic Agreement, under the terms of, and subject to the limitations contained in, Section 9.01 of the Basic Agreement, the Company may (but will not be required to), and the Trustee (subject to Section 9.03 of the Basic Agreement) shall, at the Company’s request, at any time and from time to time enter into one or more agreements supplemental to the NPA or the Reference Agency Agreement for any of the purposes set forth in clauses (1) through (9) of such Section 9.01, and (without limitation of the foregoing or Section 9.01 of the Basic Agreement) (a) clauses (2) and (3) of such Section 9.01 shall also be deemed to include the Company’s obligations under (in the case of clause (2)), and the Company’s rights and powers conferred by (in the case of clause (3)), the NPA or the Reference Agency Agreement and (b) references in clauses (4), (6) and (7) of such Section 9.01 to “any Intercreditor Agreement or any Liquidity Facility” shall also be deemed to refer to “the Intercreditor Agreement, the Reference Agency Agreement or the NPA”.

Section 7.07. Supplemental Agreements with Consent of Applicable Certificateholders. Without limitation of Section 9.02 of the Basic Agreement, the provisions of Section 9.02 of the Basic Agreement shall apply to agreements or amendments for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Reference Agency Agreement or the NPA or modifying in any manner the rights and obligations of the Applicable Certificateholders under the Reference Agency Agreement or the NPA.

Section 7.08. Consent of Holders of Certificates Issued under Other Trust. Notwithstanding any provision in Section 7.06 or Section 7.07 of this Trust Supplement to the contrary, no amendment or modification of Section 5.01 of this Trust Supplement shall be effective unless the Other Trustee of the Certificates issued by the Other Trust that are affected by such amendment or modification shall have consented thereto.

Section 7.09. Amendment of Section 12.11 of the Basic Agreement. Section 12.11 of the Basic Agreement shall be amended, with respect to the Applicable Trust, in its entirety to read as follows: “In any case where any Regular Distribution Date or Special Distribution Date relating to any Certificate of any series shall not be a Business Day with respect to such series, then (notwithstanding any other provision of this Agreement) payment

need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on such Regular Distribution Date or Special Distribution Date, and interest shall accrue during the intervening period.”

ARTICLE VIII
MISCELLANEOUS PROVISIONS

Section 8.01. Basic Agreement Ratified. Except and so far as herein expressly provided, all of the provisions, terms and conditions of the Basic Agreement are in all respects ratified and confirmed; and the Basic Agreement and this Trust Supplement shall be taken, read and construed as one and the same instrument. All replacements of provisions of, and other modifications of the Basic Agreement set forth in this Trust Supplement are solely with respect to the Applicable Trust.

Section 8.02. GOVERNING LAW. THE AGREEMENT AND THE APPLICABLE CERTIFICATES HAVE BEEN DELIVERED IN THE STATE OF NEW YORK AND SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS. THIS SECTION 8.02 SUPERSEDES AND REPLACES SECTION 12.05 OF THE BASIC AGREEMENT, WITH RESPECT TO THE APPLICABLE TRUST.

Section 8.03. Execution in Counterparts. This Trust Supplement may be executed in any number of counterparts, each of which shall be an original, but such counterparts shall together constitute but one and the same instrument.

Section 8.04. Intention of Parties. The parties hereto intend that the Applicable Trust be classified for U.S. federal income tax purposes as a grantor trust under Subpart E, Part I of Subchapter J of the Internal Revenue Code of 1986, as amended, and not as a trust or association taxable as a corporation or as a partnership. Each Applicable Certificateholder and Investor, by its acceptance of its Applicable Certificate or a beneficial interest therein, agrees to treat the Applicable Trust as a grantor trust for all U.S. federal, state and local income tax purposes. The powers granted and obligations undertaken pursuant to the Agreement shall be so construed so as to further such intent.

IN WITNESS WHEREOF, the Company and the Trustee have caused this Trust Supplement to be duly executed by their respective officers thereto duly authorized, as of the day and year first written above.

CONTINENTAL AIRLINES, INC.

By:

Name:

Title:

WILMINGTON TRUST COMPANY,
as Trustee

By:

Name:

Title:

EXHIBIT A

FORM OF CERTIFICATE

Certificate

No. ____

THIS CERTIFICATE IS SUBJECT TO TRANSFER RESTRICTIONS. BY ITS ACQUISITION HEREOF, THE HOLDER (1) REPRESENTS THAT IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT); (2) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THIS CERTIFICATE EXCEPT TO A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT); AND (3) AGREES THAT IF IT SHOULD RESELL OR OTHERWISE TRANSFER THIS CERTIFICATE IT WILL DELIVER TO EACH PERSON TO WHOM THIS CERTIFICATE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. IN CONNECTION WITH ANY TRANSFER OF THIS CERTIFICATE, THE TRANSFEREE MUST COMPLETE THE FORM ON THE REVERSE HEREOF RELATING TO THE MANNER OF SUCH TRANSFER AND SUBMIT SUCH FORM TO THE PASS THROUGH TRUSTEE. THE PASS THROUGH TRUST AGREEMENT CONTAINS A PROVISION REQUIRING THE REGISTRAR TO REFUSE TO REGISTER ANY TRANSFER OF THIS CERTIFICATE IN VIOLATION OF THE FOREGOING RESTRICTIONS.

CONTINENTAL AIRLINES PASS THROUGH TRUST 2006-1B

Continental Airlines
Pass Through Certificates, Series 2006-1B
Issuance Date: June 9, 2006

Final Expected Distribution Date: June 2, 2013

Evidencing A Fractional Undivided Interest In The Continental Airlines Pass Through Trust 2006-1B, The Property Of Which Shall Include An Equipment Note Secured By Pledged Spare Parts Owned By Continental Airlines, Inc.

\$ _____ Fractional Undivided Interest
representing 0.000769231% of the Trust per \$1,000 face amount

THIS CERTIFIES THAT _____, for value received, is the registered owner of a \$ _____ (_____ DOLLARS) Fractional Undivided Interest in the Continental Airlines Pass Through Trust, 2006-1B (the "Trust") created by Wilmington Trust Company, as trustee (the "Trustee"), pursuant to a Pass Through Trust Agreement, dated as of

September 25, 1997 (the "Basic Agreement"), between the Trustee and Continental Airlines, Inc., a Delaware corporation (the "Company"), as supplemented by Trust Supplement No. 2006-1B thereto, dated as of June 9, 2006 (the "Trust Supplement" and, together with the Basic Agreement, the "Agreement"), between the Trustee and the Company, a summary of certain of the pertinent provisions of which is set forth below. To the extent not otherwise defined herein, the capitalized terms used herein have the meanings assigned to them in the Agreement. This Certificate is one of the duly authorized Certificates designated as "Continental Airlines Pass Through Certificates, Series 2006-1B" (herein called the "Certificates"). This Certificate is issued under and is subject to the terms, provisions and conditions of the Agreement. By virtue of its acceptance hereof, the holder of this Certificate (the "Certificateholder") and, together with all other holders of Certificates issued by the Trust, the "Certificateholders") assents to and agrees to be bound by the provisions of the Agreement and the Intercreditor Agreement. The property of the Trust includes an Equipment Note and all rights of the Trust to receive payments under the Intercreditor Agreement and the NPA (the "Trust Property"). The Equipment Note is secured by, among other things, a security interest in certain aircraft spare parts owned by the Company.

The Certificates represent Fractional Undivided Interests in the Trust and the Trust Property and have no rights, benefits or interest in respect of any other separate trust established pursuant to the terms of the Basic Agreement for any other series of certificates issued pursuant thereto.

Subject to and in accordance with the terms of the Agreement and the Intercreditor Agreement, from funds then available to the Trustee, there will be distributed on March 2, June 2, September 2 and December 2 of each year (or, in any such case, if not a Business Day, the next succeeding Business Day) (each, a "Regular Distribution Date") commencing on September 2, 2006, to the Person in whose name this Certificate is registered at the close of business on the 15th day preceding the Regular Distribution Date, an amount in respect of the Scheduled Payments on the Equipment Note due on such Regular Distribution Date, the receipt of which has been confirmed by the Trustee, equal to the product of the percentage interest in the Trust evidenced by this Certificate and an amount equal to the sum of such Scheduled Payments. Subject to and in accordance with the terms of the Agreement and the Intercreditor Agreement, in the event that Special Payments on the Equipment Note are received by the Trustee, from funds then available to the Trustee, there shall be distributed on the applicable Special Distribution Date, to the Person in whose name this Certificate is registered at the close of business on the 15th day preceding the Special Distribution Date, an amount in respect of such Special Payments on the Equipment Note, the receipt of which has been confirmed by the Trustee, equal to the product of the percentage interest in the Trust evidenced by this Certificate and an amount equal to the sum of such Special Payments so received. If a Special Distribution Date is not a Business Day, distribution shall be made on the immediately following Business Day with the same force and effect as if made on such Special Distribution Date and interest shall accrue during the intervening period. The Trustee shall mail notice of each Special Payment and the Special Distribution Date therefor to the Certificateholder of this Certificate.

Distributions on this Certificate will be made by the Trustee by check mailed to the Person entitled thereto, without presentation or surrender of this Certificate or the making of any notation hereon. Except as otherwise provided in the Agreement and notwithstanding the above, the final distribution on this Certificate will be made after notice mailed by the Trustee of the pendency of such distribution and only upon presentation and surrender of this Certificate at the office or agency of the Trustee specified in such notice.

The Certificates do not represent a direct obligation of, or an obligation guaranteed by, or an interest in, the Company or the Trustee or any affiliate thereof. The Certificates are limited in right of payment, all as more specifically set forth on the face hereof and in the Agreement. All payments or distributions made to Certificateholders under the Agreement shall be made only from the Trust Property and only to the extent that the Trustee shall have sufficient income or proceeds from the Trust Property to make such payments in accordance with the terms of the Agreement. Each Certificateholder of this Certificate, by its acceptance hereof, agrees that it will look solely to the income and proceeds from the Trust Property to the extent available for distribution to such Certificateholder as provided in the Agreement. This Certificate does not purport to summarize the Agreement and reference is made to the Agreement for information with respect to the interests, rights, benefits, obligations, privileges, and duties evidenced hereby. A copy of the Agreement may be examined during normal business hours at the principal office of the Trustee, and at such other places, if any, designated by the Trustee, by any Certificateholder upon request.

The Agreement permits, with certain exceptions therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Certificateholders under the Agreement at any time by the Company and the Trustee with the consent of the Certificateholders holding Certificates evidencing Fractional Undivided Interests aggregating not less than a majority in interest in the Trust. Any such consent by the Certificateholder of this Certificate shall be conclusive and binding on such Certificateholder and upon all future Certificateholders of this Certificate and of any Certificate issued upon the transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent is made upon this Certificate. The Agreement also permits the amendment thereof, in certain limited circumstances, without the consent of the Certificateholders of any of the Certificates.

As provided in the Agreement and subject to certain limitations set forth therein, the transfer of this Certificate is registrable in the Register upon surrender of this Certificate for registration of transfer at the offices or agencies maintained by the Trustee in its capacity as Registrar, or by any successor Registrar, duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Trustee and the Registrar, duly executed by the Certificateholder hereof or such Certificateholder's attorney duly authorized in writing, and thereupon one or more new Certificates of authorized denominations evidencing the same aggregate Fractional Undivided Interest in the Trust will be issued to the designated transferee or transferees.

The Certificates are issuable only as registered Certificates without coupons in minimum denominations of \$1,000 Fractional Undivided Interest or integral multiples of \$1,000 in excess thereof, except that one Certificate may be issued in a different denomination. As

provided in the Agreement and subject to certain limitations therein set forth, the Certificates are exchangeable for new Certificates of authorized denominations evidencing the same aggregate Fractional Undivided Interest in the Trust, as requested by the Certificateholder surrendering the same.

No service charge will be made for any such registration of transfer or exchange, but the Trustee shall require payment of a sum sufficient to cover any tax or governmental charge payable in connection therewith.

Each Certificateholder and Investor, by its acceptance of this Certificate or a beneficial interest herein, agrees to treat the Trust as a grantor trust for all U.S. federal, state and local income tax purposes.

The Trustee, the Registrar, and any agent of the Trustee or the Registrar may treat the person in whose name this Certificate is registered as the owner hereof for all purposes, and neither the Trustee, the Registrar nor any such agent shall be affected by any notice to the contrary.

The obligations and responsibilities created by the Agreement and the Trust created thereby shall terminate upon the distribution to Certificateholders of all amounts required to be distributed to them pursuant to the Agreement and the disposition of all property held as part of the Trust Property.

Any Person acquiring or accepting this Certificate or an interest herein will, by such acquisition or acceptance, be deemed to have represented and warranted to and for the benefit of the Company that either: (i) the assets of an employee benefit plan subject to Title I of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or of a plan subject to Section 4975 of the Internal Revenue Code of 1986, as amended (the "Code"), have not been used to purchase this Certificate or an interest herein or (ii) the purchase and holding of this Certificate or an interest herein are exempt from the prohibited transaction restrictions of ERISA and the Code pursuant to one or more prohibited transaction statutory or administrative exemptions.

By acceptance of this Certificate, each Certificateholder will be deemed to:

- (i) Represent that it is accepting this Certificate for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a QIB;
 - (ii) Agree that any sale or other transfer by it of this Certificate will only be made to a QIB;
 - (iii) Agree that it will deliver to each person to whom it transfers this Certificate notice of these restrictions on transfer of this Certificate;
 - (iv) Agree that no registration of the transfer of a Certificate will be made unless the transferee completes and submits to the Trustee the form included on the
-

reverse of this Certificate in which it states that it is purchasing this Certificate for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a QIB;

(v) Understand that this Certificate will bear a legend substantially to the effect of the Restricted Legend;

(vi) Acknowledge that the Company, the Trustee, the Underwriter, and others will rely on the truth and accuracy of the foregoing acknowledgments, representations, warranties and agreements and agree that, if any of the acknowledgments, representations, warranties and agreements deemed to have been made by its purchase of this Certificate is no longer accurate, it shall promptly notify the Company, the Trustee and the Underwriter. If it is acquiring this Certificate as a fiduciary or agent of one or more investor accounts, it represents that it has sole investment discretion with respect to each such investor account and that it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such investor account;

(vii) Acknowledge that the foregoing restrictions apply to holders of beneficial interests in this Certificate as well as to registered holders of this Certificate; and

(viii) Acknowledge that the Trustee will not be required to accept for registration of transfer this Certificate unless evidence satisfactory to the Company and the Trustee that the restrictions on transfer set forth herein have been complied with is submitted to them.

THE AGREEMENT AND THIS CERTIFICATE HAVE BEEN DELIVERED IN THE STATE OF NEW YORK AND SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

Unless the certificate of authentication hereon has been executed by the Trustee, by manual signature, this Certificate shall not be entitled to any benefit under the Agreement or be valid for any purpose.

IN WITNESS WHEREOF, the Trustee has caused this Certificate to be duly executed.

CONTINENTAL AIRLINES PASS THROUGH
TRUST 2006-1B

By: WILMINGTON TRUST COMPANY,
as Trustee

By:

Name:

Title:

FORM OF THE TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Certificates referred to in the within-mentioned Agreement.

WILMINGTON TRUST COMPANY,
as Trustee

By: _____

Name:
Title:

TRANSFER NOTICE

FORM OF TRANSFER NOTICE

FOR VALUE RECEIVED the undersigned registered holder hereby sell(s), assign(s) and transfer(s) unto

Insert Taxpayer Identification No.

please print or typewrite name and address including zip code of assignee

the within Certificate and all rights thereunder, hereby irrevocably constituting and appointing

attorney to transfer said Certificate on the books of the Registrar with full power of substitution in the premises.

In connection with any transfer of this Certificate, the undersigned confirms:

The Registrar shall not be obligated to register this Certificate in the name of any Person other than the Holder hereof unless and until the conditions to any such transfer of registration set forth herein and in Section 3.05 of the Trust Supplement shall have been satisfied.

Date:[_____, __] [Name of Transferor] _____

NOTE: The signature must correspond with the name as written upon the face of the within-mentioned instrument in every particular, without alteration or any change whatsoever.

Signature Guarantee: _____

TO BE COMPLETED BY PURCHASER

The undersigned represents and warrants that it is purchasing this Certificate for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a “qualified institutional buyer” within the meaning of Rule 144A under the Securities Act of 1933, as amended.

In addition, the undersigned has reviewed this Certificate and makes the representations, agreements, understandings and acknowledgments deemed made by a Person acquiring or accepting this Certificate as set forth therein.

Date:[_____, __] _____

NOTE: To be executed by an executive officer.

REVOLVING CREDIT AGREEMENT (2006-1G)

dated as of June 9, 2006

between

WILMINGTON TRUST COMPANY,
as Subordination Agent, as agent and trustee for the
Continental Airlines Pass Through Trust 2006-1G,
as Borrower

and

MORGAN STANLEY BANK, as Primary Liquidity Provider

Continental Airlines Pass Through Trust 2006-1G
USD 3-month LIBOR + 0.35% Continental Airlines
Pass Through Certificates, Series 2006-1G

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ANNEX IV [Final Advance Notice of Borrowing](#)

ANNEX V [Notice of Termination](#)

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REVOLVING CREDIT AGREEMENT (2006-1G)

This REVOLVING CREDIT AGREEMENT (2006-1G), dated as of June 9, 2006, is made by and between WILMINGTON TRUST COMPANY, a Delaware banking corporation, not in its individual capacity but solely as Subordination Agent under the Intercreditor Agreement (each as defined below), as agent and trustee for the Class G Trust (as defined below) (the "Borrower"), and MORGAN STANLEY BANK, a Utah industrial bank (the "Primary Liquidity Provider").

WITNESSETH:

WHEREAS, pursuant to the Class G Trust Agreement (such term and all other capitalized terms used in these recitals having the meanings set forth or referred to in Section 1.01), the Class G Trust is issuing the Class G Certificates; and

WHEREAS, the Borrower, in order to support the timely payment of a portion of the interest on the Class G Certificates in accordance with their terms, has requested the Primary Liquidity Provider to enter into this Agreement, providing in part for the Borrower to request in specified circumstances that Advances be made hereunder.

NOW, THEREFORE, in consideration of the mutual agreements herein contained, and of other good and valuable consideration the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01 Certain Defined Terms. (a) As used in this Agreement and unless expressly indicated, or unless the context clearly requires otherwise, the following capitalized terms shall have the following respective meanings for all purposes of this Agreement:

"Additional Costs" has the meaning assigned to such term in Section 3.01.

"Advance" means an Interest Advance, a Final Advance, a Provider Advance or an Applied Provider Advance, as the case may be.

"Agreement" means this Revolving Credit Agreement (2006-1G), dated as of June 9, 2006, between the Borrower and the Primary Liquidity Provider, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Applicable Liquidity Rate" has the meaning assigned to such term in Section 3.07(g).

"Applicable Margin" means (i) with respect to any Unpaid Advance or Applied Provider Advance, 2.00% per annum and (ii) with respect to any Unapplied Provider Advance, the rate per annum specified in the Fee Letter applicable to this Agreement.

“Applied Downgrade Advance” has the meaning assigned to such term in Section 2.06(a).

“Applied Non-Extension Advance” has the meaning assigned to such term in Section 2.06(a).

“Applied Provider Advance” has the meaning assigned to such term in Section 2.06(a).

“Base Rate” means a fluctuating interest rate per annum in effect from time to time, which rate per annum shall at all times be equal to (a) the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or if such rate is not so published for any day that is a Business Day, the average of the quotations for such day for such transactions received by the Primary Liquidity Provider from three Federal funds brokers of recognized standing selected by it, plus (b) one-quarter of one percent (1/4 of 1%).

“Base Rate Advance” means an Advance that bears interest at a rate based upon the Base Rate.

“Borrower” has the meaning assigned to such term in the recital of parties to this Agreement.

“Borrowing” means the making of Advances requested by delivery of a Notice of Borrowing.

“Business Day” means any day other than a Saturday, a Sunday or a day on which commercial banks are required or authorized to close in Houston, Texas, West Valley City, Utah, New York, New York or, so long as any Class G Certificate is outstanding, the city and state in which the Class G Trustee, the Borrower or the Mortgagee maintains its Corporate Trust Office or receives or disburses funds, and, if the applicable Business Day relates to any Advance or other amount bearing interest based on the LIBOR Rate, on which dealings are carried on in the London interbank market.

“Consent Period” has the meaning assigned to such term in Section 2.10.

“Downgrade Advance” means an Advance made pursuant to Section 2.02(c).

“Downgrade Event” means a downgrading of the Primary Liquidity Provider’s short-term unsecured debt rating or short-term issuer credit rating, as the case may be, issued by either Rating Agency below the applicable Threshold Rating.

“Effective Date” has the meaning assigned to such term in Section 4.01. The delivery of the certificate of the Primary Liquidity Provider contemplated by Section 4.01(e) shall be conclusive evidence that the Effective Date has occurred.

“Excluded Taxes” means (i) Taxes imposed on, based on or measured by the income of, or franchise Taxes imposed on, the Primary Liquidity Provider or its Lending Office by the jurisdiction where such Primary Liquidity Provider’s principal office or such Lending Office is located or any other taxing jurisdiction in which such Tax is imposed as a result of the Primary Liquidity Provider being, or having been, organized in, or conducting, or having conducted, any activities unrelated to the transactions contemplated by the Operative Agreements in, such jurisdiction and (ii) Excluded Withholding Taxes.

“Excluded Withholding Taxes” means (i) withholding Taxes imposed by the United States except (but only in the case of a successor Primary Liquidity Provider organized under the laws of a jurisdiction outside the United States) to the extent that such United States withholding Taxes are imposed or increased as a result of any change in applicable law (excluding from change in applicable law for this purpose a change in an applicable treaty or other change in law affecting the applicability of a treaty) after the date hereof, or in the case of a successor Primary Liquidity Provider (including a transferee of an Advance) or Lending Office, after the date on which such successor Primary Liquidity Provider obtains its interest or on which the Lending Office is changed, and (ii) any withholding Taxes imposed by the United States which are imposed or increased as a result of the Primary Liquidity Provider failing to deliver to the Borrower any certificate or document (which certificate or document, in the good faith judgment of the Primary Liquidity Provider, the Primary Liquidity Provider is legally entitled to provide) which is reasonably requested by the Borrower to establish that payments under this Agreement are exempt from (or entitled to a reduced rate of) withholding Tax.

“Expenses” means liabilities, obligations, damages, settlements, penalties, claims, actions, suits, costs, expenses, and disbursements (including, without limitation, reasonable fees and disbursements of legal counsel and costs of investigation), provided that Expenses shall not include any Taxes other than sales, use and V.A.T. taxes imposed on fees and expenses payable pursuant to Section 7.07.

“Expiry Date” means June 7, 2007, initially, or any date to which the Expiry Date is extended pursuant to Section 2.10.

“Final Advance” means an Advance made pursuant to Section 2.02(d).

“GAAP” means generally accepted accounting principles as set forth in the statements of financial accounting standards issued by the Financial Accounting Standards Board of the American Institute of Certified Public Accountants, as such principles may at any time or from time to time be varied by any applicable financial accounting rules or regulations issued by the Securities and Exchange Commission and, with respect to any person, shall mean such principles applied on a basis consistent with prior periods except as may be disclosed in such person’s financial statements.

“Indemnified Tax” has the meaning assigned to such term in Section 3.03(a).

“Intercreditor Agreement” means the Intercreditor Agreement, dated as of the date hereof, among the Trustees, the Primary Liquidity Provider, the Above-Cap Liquidity

Provider, the Policy Provider and the Subordination Agent, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

“Interest Advance” means an Advance made pursuant to Section 2.02(a).

“Interest Period” means, with respect to any LIBOR Advance, each of the following periods:

(i) the period beginning on the third Business Day following either (A) the Primary Liquidity Provider’s receipt of the Notice of Borrowing for such LIBOR Advance or (B) the withdrawal of funds from the Primary Cash Collateral Account for the purpose of paying interest on the Class G Certificates as contemplated by Section 2.06(a) hereof and, in either case, ending on the next Regular Distribution Date; and

(ii) each subsequent period commencing on the last day of the immediately preceding Interest Period and ending on the next Regular Distribution Date;

provided, however, that if (x) the Final Advance shall have been made, or (y) other outstanding Advances shall have been converted into the Final Advance, then the Interest Periods shall be successive periods of one month beginning on the third Business Day following the Primary Liquidity Provider’s receipt of the Notice of Borrowing for such Final Advance (in the case of clause (x) above) or the Regular Distribution Date following such conversion (in the case of clause (y) above).

“Lending Office” means the lending office of the Primary Liquidity Provider presently located at the offices of Morgan Stanley, New York, New York, or such other lending office as the Primary Liquidity Provider from time to time shall notify the Borrower as its Lending Office hereunder; provided that the Primary Liquidity Provider shall not change its Lending Office to a lending office outside the United States of America except in accordance with Section 3.11 hereof.

“LIBOR Advance” means an Advance bearing interest at a rate based upon the LIBOR Rate.

“LIBOR Rate” means, with respect to any Interest Period,

(i) the rate per annum appearing on display page 3750 (British Bankers Association-LIBOR) of the Telerate Service (or any successor or substitute therefor) at approximately 11:00 a.m. (London time) two Business Days before the first day of such Interest Period, as the rate for dollar deposits with a maturity comparable to such Interest Period, or

(ii) if the rate calculated pursuant to clause (i) above is not available, the average (rounded upwards, if necessary, to the next 1/16 of 1%) of the rates per annum at which deposits in dollars are offered for the relevant Interest Period by three banks of recognized standing selected by the Primary Liquidity Provider in the London interbank market at approximately 11:00 a.m. (London time) two Business Days before the first day of such Interest Period in an amount approximately equal to the principal

amount of the LIBOR Advance to which such Interest Period is to apply and for a period comparable to such Interest Period.

“Liquidity Event of Default” means the occurrence of either (a) the Acceleration of all of the Equipment Notes or (b) a Continental Bankruptcy Event.

“Liquidity Indemnitee” means (i) the Primary Liquidity Provider, (ii) the directors, officers, employees and agents of the Primary Liquidity Provider, and (iii) the successors and permitted assigns of the persons described in clauses (i) and (ii), inclusive.

“Maximum Available Commitment” means, subject to the proviso contained in the third sentence of Section 2.02(a), at any time of determination, (a) the Maximum Commitment at such time less (b) the aggregate amount of each Interest Advance outstanding at such time; provided that following a Provider Advance or a Final Advance, the Maximum Available Commitment shall be zero.

“Maximum Commitment” means initially \$39,930,875, as the same may be reduced from time to time in accordance with Section 2.04(a).

“Non-Extension Advance” means an Advance made pursuant to Section 2.02(b).

“Notice of Borrowing” has the meaning assigned to such term in Section 2.02(e).

“Notice of Replacement Subordination Agent” has the meaning assigned to such term in Section 3.08.

“Primary Liquidity Provider” has the meaning assigned to such term in the recital of parties to this Agreement.

“Prospectus Supplement” means the final Prospectus Supplement dated May 24, 2006 relating to the Certificates, as such Prospectus Supplement may be amended or supplemented.

“Provider Advance” means a Downgrade Advance or a Non-Extension Advance.

“Regulatory Change” has the meaning assigned to such term in Section 3.01.

“Replenishment Amount” has the meaning assigned to such term in Section 2.06(b).

“Required Amount” means, for any day, the sum of the aggregate amount of interest, calculated at the rate per annum equal to the Capped Interest Rate for the Class G Certificates, that would be payable on the Class G Certificates on each of the eight successive quarterly Regular Distribution Dates immediately following such day or, if such day is a Regular Distribution Date, on such day and the succeeding seven quarterly Regular Distribution Dates, in each case calculated on the basis of the Pool Balance of the Class G Certificates on such day and without regard to expected future payments of principal on the Class G Certificates. The Pool

Balance solely for purposes of the definition of Required Amount shall, in the event of any Policy Provider Election, be deemed to be reduced to zero.

“Termination Date” means the earliest to occur of the following: (i) the Expiry Date; (ii) the date on which the Borrower delivers to the Primary Liquidity Provider a certificate, signed by a Responsible Officer of the Borrower, certifying that all of the Class G Certificates have been paid in full (or provision has been made for such payment in accordance with the Intercreditor Agreement and the Trust Agreements) or are otherwise no longer entitled to the benefits of this Agreement; (iii) the date on which the Borrower delivers to the Primary Liquidity Provider a certificate, signed by a Responsible Officer of the Borrower, certifying that a Replacement Primary Liquidity Facility has been substituted for this Agreement in full pursuant to Section 3.5(e) of the Intercreditor Agreement; (iv) the fifth Business Day following the receipt by the Borrower of a Termination Notice from the Primary Liquidity Provider pursuant to Section 6.01 hereof; (v) the date on which no Advance is, or may (including by reason of reinstatement as herein provided) become, available for a Borrowing hereunder; (vi) the occurrence of the Liquidity Provider Reimbursement Date; and (vii) the occurrence of the Special Termination.

“Termination Notice” means the Notice of Termination substantially in the form of Annex V to this Agreement.

“Transferee” has the meaning assigned to such term in Section 7.08(b).

“Unapplied Downgrade Advance” means any Downgrade Advance other than an Applied Downgrade Advance.

“Unapplied Non-Extension Advance” means any Non-Extension Advance other than an Applied Non-Extension Advance.

“Unapplied Provider Advance” means any Provider Advance other than an Applied Provider Advance.

“Unpaid Advance” has the meaning assigned to such term in Section 2.05.

(b) For the purposes of this Agreement, the following terms shall have the respective meanings assigned to such terms in the Intercreditor Agreement:

“Above-Cap Liquidity Provider”, “Acceleration”, “Affiliate”, “Capped Interest Rate”, “Certificate”, “Class B Certificates”, “Class G Certificateholder”, “Class G Certificates”, “Class G Trust”, “Class G Trust Agreement”, “Class G Trustee”, “Closing Date”, “Continental”, “Continental Bankruptcy Event”, “Controlling Party”, “Corporate Trust Office”, “Distribution Date”, “Downgraded Facility”, “Equipment Notes”, “Fee Letters”, “Final Legal Distribution Date”, “Investment Earnings”, “Liquidity Facility”, “Liquidity Obligations”, “Liquidity Provider Reimbursement Date”, “Moody’s”, “Mortgagee”, “Non-Extended Facility”, “Non-Performing Equipment Note”, “Note Purchase Agreement”, “Operative Agreements”, “Payment Default”, “Person”, “Policy”, “Policy Drawings”, “Policy Provider”, “Policy Provider Election”, “Pool Balance”, “Premium”, “Primary Cash Collateral Account”, “Primary Liquidity Facility”, “Rating Agencies”, “Ratings Confirmation”, “Regular Distribution Dates”, “Replacement Primary”

Liquidity Facility”, Responsible Officer”, Scheduled Payment”, Special Payment”, Special Termination”, Standard & Poor’s”, Stated Interest Rate”, Subordination Agent”, Taxes”, Threshold Rating”, Trust Agreement”, Trustees”, Underwriter” and Underwriting Agreement”.

ARTICLE II

AMOUNT AND TERMS OF THE COMMITMENT

Section 2.01 The Advances. The Primary Liquidity Provider hereby irrevocably agrees, on the terms and conditions hereinafter set forth, to make Advances to the Borrower from time to time on any Business Day during the period from the Effective Date until 12:00 noon (New York City time) on the Expiry Date (unless the obligations of the Primary Liquidity Provider shall be earlier terminated in accordance with the terms of Section 2.04(b)) in an aggregate amount at any time outstanding not to exceed the Maximum Commitment.

Section 2.02 Making the Advances. (a) Interest Advances shall be made in one or more Borrowings by delivery to the Primary Liquidity Provider of one or more written and completed Notices of Borrowing in substantially the form of Annex I attached hereto, signed by a Responsible Officer of the Borrower, in an amount not exceeding the Maximum Available Commitment at such time and shall be used solely for the payment when due of interest with respect to the Class G Certificates at the Stated Interest Rate for the applicable Interest Period (calculated assuming that Continental will not cure any Payment Default) in accordance with Section 3.5(a) of the Intercreditor Agreement. Each Interest Advance made hereunder shall automatically reduce the Maximum Available Commitment and the amount available to be borrowed hereunder by subsequent Advances by the amount of such Interest Advance (subject to reinstatement as provided in the next sentence). Upon repayment to the Primary Liquidity Provider in full or in part of the amount of any Interest Advance made pursuant to this Section 2.02(a), together with accrued interest thereon (as provided herein), the Maximum Available Commitment shall be reinstated by an amount equal to the amount of such Interest Advance so repaid but not to exceed the Maximum Commitment; provided, however, that the Maximum Available Commitment shall not be so reinstated at any time if (x) any Equipment Note is a Non-Performing Equipment Note and a Liquidity Event of Default shall have occurred and be continuing or (y) a Final Advance has been made.

(b) A Non-Extension Advance shall be made in a single Borrowing if this Agreement is not extended in accordance with Section 3.5(d) of the Intercreditor Agreement (unless a Replacement Primary Liquidity Facility to replace this Agreement shall have been delivered to the Borrower as contemplated by said Section 3.5(d) within the time period specified in such Section 3.5(d)) by delivery to the Primary Liquidity Provider of a written and completed Notice of Borrowing in substantially the form of Annex II attached hereto, signed by a Responsible Officer of the Borrower, in an amount equal to the Maximum Available Commitment at such time, and shall be used to fund the Primary Cash Collateral Account in accordance with such Section 3.5(d) and Section 3.5(f) of the Intercreditor Agreement.

(c) A Downgrade Advance shall be made in a single Borrowing upon the occurrence of a Downgrade Event (as provided for in Section 3.5(c) of the Intercreditor

Agreement) unless a Replacement Primary Liquidity Facility to replace this Agreement shall have been previously delivered to the Borrower in accordance with Section 3.5(c), by delivery to the Primary Liquidity Provider of a written and completed Notice of Borrowing in substantially the form of Annex III attached hereto, signed by a Responsible Officer of the Borrower, in an amount equal to the Maximum Available Commitment at such time, and shall be used to fund the Primary Cash Collateral Account in accordance with Sections 3.5(c) and 3.5(f) of the Intercreditor Agreement.

(d) A Final Advance shall be made in a single Borrowing upon the receipt by the Borrower of a Termination Notice from the Primary Liquidity Provider pursuant to Section 6.01 hereof by delivery to the Primary Liquidity Provider of a written and completed Notice of Borrowing in substantially the form of Annex IV attached hereto, signed by a Responsible Officer of the Borrower, in an amount equal to the Maximum Available Commitment at such time, and shall be used to fund the Primary Cash Collateral Account in accordance with Sections 3.5(f) and 3.5(i) of the Intercreditor Agreement.

(e) Each Borrowing shall be made on notice in writing (a "Notice of Borrowing") in substantially the form required by Section 2.02(a), 2.02(b), 2.02(c) or 2.02(d), as the case may be, given by the Borrower to the Primary Liquidity Provider. Each Notice of Borrowing shall be effective upon delivery of a copy thereof to the Primary Liquidity Provider's office at the address specified in Section 7.02. If a Notice of Borrowing is delivered by the Borrower in respect of any Borrowing no later than 12:00 p.m. (New York City time) on a Business Day, upon satisfaction of the conditions precedent set forth in Section 4.02 with respect to a requested Borrowing, the Primary Liquidity Provider shall make available to the Borrower, in accordance with its payment instructions, the amount of such Borrowing in U.S. dollars and immediately available funds, before 4:00 p.m. (New York City time) on such Business Day or on such later Business Day specified in such Notice of Borrowing. If a Notice of Borrowing is delivered by the Borrower in respect of any Borrowing on a day that is not a Business Day or after 12:00 p.m. (New York City time) on a Business Day, upon satisfaction of the conditions precedent set forth in Section 4.02 with respect to a requested Borrowing, the Primary Liquidity Provider shall make available to the Borrower, in accordance with its payment instructions, the amount of such Borrowing in U.S. dollars and in immediately available funds, before 12:00 noon (New York City time) on the first Business Day next following the day of receipt of such Notice of Borrowing or on such later Business Day specified by the Borrower in such Notice of Borrowing. Payments of proceeds of a Borrowing shall be made by wire transfer of immediately available funds to the Borrower in accordance with such wire transfer instructions as the Borrower shall furnish from time to time to the Primary Liquidity Provider for such purpose. Each Notice of Borrowing shall be irrevocable and binding on the Borrower.

(f) Upon the making of any Advance requested pursuant to a Notice of Borrowing in accordance with the Borrower's payment instructions, the Primary Liquidity Provider shall be fully discharged of its obligation hereunder with respect to such Notice of Borrowing, and the Primary Liquidity Provider shall not thereafter be obligated to make any further Advances hereunder in respect of such Notice of Borrowing to the Borrower or to any other Person. If the Primary Liquidity Provider makes an Advance requested pursuant to a Notice of Borrowing before 12:00 noon (New York City time) on the second Business Day after the date of payment specified in Section 2.02(e), the Primary Liquidity Provider shall have fully

discharged its obligations hereunder with respect to such Advance and an event of default shall not have occurred hereunder. Following the making of any Advance pursuant to Section 2.02(b), 2.02(c) or 2.02(d) hereof to fund the Primary Cash Collateral Account, the Primary Liquidity Provider shall have no interest in or rights to the Primary Cash Collateral Account, the funds constituting such Advance or any other amounts from time to time on deposit in the Primary Cash Collateral Account; provided that the foregoing shall not affect or impair the obligations of the Subordination Agent to make the distributions contemplated by Section 3.5(e) or 3.5(f) of the Intercreditor Agreement and provided further, that the foregoing shall not affect or impair the rights of the Primary Liquidity Provider to provide written instructions with respect to the investment and reinvestment of amounts in the Primary Cash Collateral Account to the extent provided in Section 2.2(b) of the Intercreditor Agreement. By paying to the Borrower proceeds of Advances requested by the Borrower in accordance with the provisions of this Agreement, the Primary Liquidity Provider makes no representation as to, and assumes no responsibility for, the correctness or sufficiency for any purpose of the amount of the Advances so made and requested.

Section 2.03 Fees. The Borrower agrees to pay to the Primary Liquidity Provider the fees set forth in the Fee Letter applicable to this Agreement.

Section 2.04 Reductions or Termination of the Maximum Commitment. (a) Automatic Reduction. Promptly following each date on which the Required Amount is reduced as a result of a reduction in the Pool Balance of the Class G Certificates (including by reason of a Policy Provider Election with respect to the Series G Equipment Note) or otherwise, the Maximum Commitment shall automatically be reduced to an amount equal to such reduced Required Amount (as calculated by the Borrower). The Borrower shall give notice of any such automatic reduction of the Maximum Commitment to the Primary Liquidity Provider within two Business Days thereof. The failure by the Borrower to furnish any such notice shall not affect such automatic reduction of the Maximum Commitment.

(b) Termination. Upon the making of any Provider Advance or Final Advance hereunder or the occurrence of the Termination Date, the obligation of the Primary Liquidity Provider to make further Advances hereunder shall automatically and irrevocably terminate, and the Borrower shall not be entitled to request any further Borrowing hereunder.

Section 2.05 Repayments of Interest Advances or the Final Advance. Subject to Sections 2.06, 2.07 and 2.09 hereof, the Borrower hereby agrees, without notice of an Advance or demand for repayment from the Primary Liquidity Provider (which notice and demand are hereby waived by the Borrower), to pay, or to cause to be paid, to the Primary Liquidity Provider on each date on which the Primary Liquidity Provider shall make an Interest Advance or the Final Advance, an amount equal to (a) the amount of such Advance (any such Advance, until repaid, is referred to herein as an "Unpaid Advance") (if multiple Interest Advances are outstanding, any such repayment to be applied in the order in which such Interest Advances have been made, starting with the earliest), plus (b) interest on the amount of each such Unpaid Advance as provided in Section 3.07 hereof; provided that if (i) the Primary Liquidity Provider shall make a Provider Advance at any time after making one or more Interest Advances which shall not have been repaid in accordance with this Section 2.05 or (ii) this Primary Liquidity Facility shall become a Downgraded Facility or Non-Extended Facility at any time when unreimbursed Interest Advances have reduced the Maximum Available Commitment to zero,

then such Interest Advances shall cease to constitute Unpaid Advances and shall be deemed to have been changed into an Applied Downgrade Advance or an Applied Non-Extension Advance, as the case may be, for all purposes of this Agreement (including, without limitation, for the purpose of determining when such Interest Advance is required to be repaid to the Primary Liquidity Provider in accordance with Section 2.06 and for the purposes of Section 2.06(b)). The Borrower and the Primary Liquidity Provider agree that the repayment in full of each Interest Advance and Final Advance on the date such Advance is made is intended to be a contemporaneous exchange for new value given to the Borrower by the Primary Liquidity Provider.

Section 2.06 Repayments of Provider Advances. (a) Amounts advanced hereunder in respect of a Provider Advance shall be deposited in the Primary Cash Collateral Account and invested and withdrawn from the Primary Cash Collateral Account as set forth in Sections 3.5(c), 3.5(d), 3.5(e) and 3.5(f) of the Intercreditor Agreement. Subject to Sections 2.07 and 2.09, the Borrower agrees to pay to the Primary Liquidity Provider, on each Regular Distribution Date, commencing on the first Regular Distribution Date after the making of a Provider Advance, interest on the principal amount of any such Provider Advance as provided in Section 3.07 hereof; provided, however, that amounts in respect of a Provider Advance withdrawn from the Primary Cash Collateral Account for the purpose of paying interest on the Class G Certificates in accordance with Section 3.5(f) of the Intercreditor Agreement (the amount of any such withdrawal being (y) in the case of a Downgrade Advance, an "Applied Downgrade Advance" and (z) in the case of a Non-Extension Advance, an "Applied Non-Extension Advance" and, together with an Applied Downgrade Advance, an "Applied Provider Advance") shall thereafter (subject to Section 2.06(b)) be treated as an Interest Advance under this Agreement for purposes of determining the Applicable Liquidity Rate for interest payable thereon; provided further, however, that if, following the making of a Provider Advance, the Primary Liquidity Provider delivers a Termination Notice to the Borrower pursuant to Section 6.01 hereof, such Provider Advance shall thereafter be treated as a Final Advance under this Agreement for purposes of determining the Applicable Liquidity Rate for interest payable thereon and the obligation for repayment thereof and as an Applied Downgrade Advance or Applied Non-Extension Advance, as the case may be, for purposes of Section 2.6(c) of the Intercreditor Agreement. Subject to Sections 2.07 and 2.09 hereof, immediately upon the withdrawal of any amounts from the Primary Cash Collateral Account on account of a reduction in the Required Amount, the Borrower shall repay to the Primary Liquidity Provider a portion of the Provider Advances in a principal amount equal to such reduction, plus interest on the principal amount prepaid as provided in Section 3.07 hereof.

(b) At any time when an Applied Provider Advance (or any portion thereof) is outstanding, upon the deposit in the Primary Cash Collateral Account of any amount pursuant to clause "fourth" of Section 3.2 of the Intercreditor Agreement (any such amount being a "Replenishment Amount") for the purpose of replenishing or increasing the balance thereof up to the Required Amount at such time, (i) the aggregate outstanding principal amount of all Applied Provider Advances (and of Provider Advances treated as an Interest Advance for purposes of determining the Applicable Liquidity Rate for interest payable thereon) shall be automatically reduced by the amount of such Replenishment Amount (if multiple Applied Provider Advances are outstanding, such Replenishment Amount to be applied in the order in which such Applied Provider Advances have been made, starting with the earliest) and (ii) the aggregate outstanding

principal amount of all Unapplied Provider Advances shall be automatically increased by the amount of such Replenishment Amount.

(c) Upon the provision of a Replacement Primary Liquidity Facility in replacement of this Agreement in accordance with Section 3.5(e) of the Intercreditor Agreement, and upon the payment in full of the Class G Certificates, amounts remaining on deposit in the Primary Cash Collateral Account after giving effect to any Applied Provider Advance on the date of such replacement shall be reimbursed to the replaced Primary Liquidity Provider, but only to the extent such amounts are necessary to repay in full to the replaced Primary Liquidity Provider all amounts owing to it hereunder.

Section 2.07 Payments to the Primary Liquidity Provider Under the Intercreditor Agreement. In order to provide for payment or repayment to the Primary Liquidity Provider of any amounts hereunder, the Intercreditor Agreement provides that amounts available and referred to in Articles II and III of the Intercreditor Agreement, to the extent payable to the Primary Liquidity Provider pursuant to the terms of the Intercreditor Agreement (including, without limitation, Section 3.5(f) of the Intercreditor Agreement), shall be paid to the Primary Liquidity Provider in accordance with the terms thereof. Amounts so paid to the Primary Liquidity Provider shall be applied by the Primary Liquidity Provider to Liquidity Obligations then due and payable in accordance with the Intercreditor Agreement and shall discharge in full the corresponding obligations of the Borrower hereunder (or, if not provided for in the Intercreditor Agreement, then in such manner as the Primary Liquidity Provider shall deem appropriate).

Section 2.08 Book Entries. The Primary Liquidity Provider shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower resulting from Advances made from time to time and the amounts of principal and interest payable hereunder and paid from time to time in respect thereof; provided, however, that the failure by the Primary Liquidity Provider to maintain such account or accounts shall not affect the obligations of the Borrower in respect of Advances.

Section 2.09 Payments from Available Funds Only. All payments to be made by the Borrower under this Agreement including, without limitation, Section 7.05 and 7.07 hereof, shall be made only from the amounts that constitute Scheduled Payments, Special Payments or payments under the Fee Letter and Section 8.1 of the Note Purchase Agreement and only to the extent that the Borrower shall have sufficient income or proceeds therefrom to enable the Borrower to make payments in accordance with the terms hereof after giving effect to the priority of payments provisions set forth in the Intercreditor Agreement. The Primary Liquidity Provider agrees that it will look solely to such amounts in respect of payments to be made by the Borrower hereunder to the extent available for distribution to it as provided in the Intercreditor Agreement and this Agreement and that the Borrower, in its individual capacity, is not personally liable to it for any amounts payable or liability under this Agreement except as expressly provided in this Agreement, the Intercreditor Agreement or the Note Purchase Agreement. Amounts on deposit in the Primary Cash Collateral Account shall be available to the Borrower to make payments under this Agreement only to the extent and for the purposes expressly contemplated in Section 3.5(f) of the Intercreditor Agreement. Nothing herein shall limit or

otherwise affect the right of the Primary Liquidity Provider to receive payment from the Policy Provider under Section 3.6(d) of the Intercreditor Agreement.

Section 2.10 Extension of the Expiry Date; Non-Extension Advance. No earlier than the 60th day and no later than the 40th day prior to the then effective Expiry Date (unless such Expiry Date is on or after the date that is 15 days after the Final Legal Distribution Date for the Class G Certificates), the Borrower shall request that the Primary Liquidity Provider extend the Expiry Date to the earlier of (i) the date that is 15 days after the Final Legal Distribution Date for the Class G Certificates and (ii) the date that is the day immediately preceding the 364th day occurring after the last day of the Consent Period (as hereinafter defined). Whether or not the Borrower has made such request, the Primary Liquidity Provider shall advise the Borrower, no earlier than the 40th day (or, if earlier, the date of the Primary Liquidity Provider's receipt of such request, if any, from the Borrower) and no later than the 25th day prior to the then effective Expiry Date (such period, the "Consent Period"), whether, in its sole discretion, it agrees to so extend the Expiry Date. If the Primary Liquidity Provider advises the Borrower on or before the date on which the Consent Period ends that such Expiry Date shall not be so extended, or fails to irrevocably and unconditionally advise the Borrower on or before the date on which the Consent Period ends that such Expiry Date shall be so extended (and, in each case, if the Primary Liquidity Provider shall not have been replaced in accordance with Section 3.5(e) of the Intercreditor Agreement), the Borrower shall be entitled on and after the date on which the Consent Period ends (but prior to the then effective Expiry Date) to request a Non-Extension Advance in accordance with Section 2.02(b) hereof and Section 3.5(d) of the Intercreditor Agreement.

ARTICLE III

OBLIGATIONS OF THE BORROWER

Section 3.01 Increased Costs. The Borrower shall pay to the Primary Liquidity Provider from time to time such amounts as may be necessary to compensate the Primary Liquidity Provider for any increased costs incurred by the Primary Liquidity Provider which are attributable to its making or maintaining any LIBOR Advances hereunder or its obligation to make any such Advances hereunder, or any reduction in any amount receivable by the Primary Liquidity Provider under this Agreement or the Intercreditor Agreement in respect of any such Advances or such obligation (such increases in costs and reductions in amounts receivable being herein called "Additional Costs"), resulting from any change after the date of this Agreement in U.S. federal, state, municipal, or foreign laws or regulations (including Regulation D of the Board of Governors of the Federal Reserve System), or the adoption or making after the date of this Agreement of any interpretations, directives, or requirements applying to a class of banks including the Primary Liquidity Provider under any U.S. federal, state, municipal, or any foreign laws or regulations (whether or not having the force of law) by any court, central bank or monetary authority charged with the interpretation or administration thereof (a "Regulatory Change"), which: (1) changes the basis of taxation of any amounts payable to the Primary Liquidity Provider under this Agreement in respect of any such Advances or such obligation (other than with respect to Excluded Taxes); or (2) imposes or modifies any reserve, special deposit, compulsory loan or similar requirements relating to any extensions of credit or other assets of, or any deposits with other liabilities of, the Primary Liquidity Provider (including any

such Advances or such obligation or any deposits referred to in the definition of LIBOR Rate or related definitions).

The Primary Liquidity Provider will notify the Borrower of any event occurring after the date of this Agreement that will entitle the Primary Liquidity Provider to compensation pursuant to this Section 3.01 as promptly as practicable after it obtains knowledge thereof and determines to request such compensation, which notice shall describe in reasonable detail the calculation of the amounts owed under this Section. Determinations by the Primary Liquidity Provider for purposes of this Section 3.01 of the effect of any Regulatory Change on its costs of making or maintaining Advances or on amounts receivable by it in respect of Advances, and of the additional amounts required to compensate the Primary Liquidity Provider in respect of any Additional Costs, shall be prima facie evidence of the amount owed under this Section.

Notwithstanding the preceding two paragraphs, the Primary Liquidity Provider and the Subordination Agent agree that any permitted assignee or participant of the initial Primary Liquidity Provider which is not a bank shall not be entitled to the benefits of the preceding two paragraphs (but without limiting the provisions of Section 7.08 hereof).

Section 3.02 Capital Adequacy. If (1) the adoption, after the date hereof, of any applicable governmental law, rule or regulation regarding capital adequacy, (2) any change, after the date hereof, in the interpretation or administration of any such law, rule or regulation by any central bank or other governmental authority charged with the interpretation or administration thereof or (3) compliance by the Primary Liquidity Provider or any corporation controlling the Primary Liquidity Provider with any applicable guideline or request of general applicability, issued after the date hereof, by any central bank or other governmental authority (whether or not having the force of law) that constitutes a change of the nature described in clause (2), has the effect of requiring an increase in the amount of capital required to be maintained by the Primary Liquidity Provider or any corporation controlling the Primary Liquidity Provider, and such increase is based upon the Primary Liquidity Provider's obligations hereunder and other similar obligations, the Borrower shall, subject to the provisions of Section 3.11, pay to the Primary Liquidity Provider from time to time such additional amount or amounts as are necessary to compensate the Primary Liquidity Provider for such portion of such increase as shall be reasonably allocable to the Primary Liquidity Provider's obligations to the Borrower hereunder.

The Primary Liquidity Provider will notify the Borrower of any event occurring after the date of this Agreement that will entitle the Primary Liquidity Provider to compensation pursuant to this Section 3.02 as promptly as practicable after it obtains knowledge thereof and determines to request such compensation, which notice shall describe in reasonable detail the calculation of the amounts owed under this Section. Determinations by the Primary Liquidity Provider for purposes of this Section 3.02 of the effect of any increase in the amount of capital required to be maintained by the Primary Liquidity Provider and of the amount allocable to the Primary Liquidity Provider's obligations to the Borrower hereunder shall be prima facie evidence of the amounts owed under this Section.

Notwithstanding the preceding two paragraphs, the Primary Liquidity Provider and the Subordination Agent agree that any permitted assignee or participant of the initial

Primary Liquidity Provider which is not a bank shall not be entitled to the benefits of the preceding two paragraphs (but without limiting the provisions of Section 7.08 hereof).

Section 3.03 Payments Free of Deductions. (a) All payments made by the Borrower under this Agreement shall be made free and clear of, and without reduction or withholding for or on account of any present or future Taxes of any nature whatsoever now or hereafter imposed, levied, collected, withheld or assessed, other than Excluded Taxes (such non-excluded Taxes being referred to herein, collectively, as “Indemnified Taxes” and, individually, as an “Indemnified Tax”). If any Taxes are required to be withheld from any amounts payable to the Primary Liquidity Provider under this Agreement, (i) the Borrower shall within the time prescribed therefor by applicable law pay to the appropriate governmental or taxing authority the full amount of any such Taxes (including any additional Tax required to be deducted or withheld in respect of the additional amounts payable under clause (ii) hereof) and make such reports or returns in connection therewith at the time or times and in the manner prescribed by applicable law, and (ii) in the case of Indemnified Taxes, the amounts payable to the Primary Liquidity Provider shall be increased to the extent necessary to yield to the Primary Liquidity Provider (after deduction or withholding for or on account of all Indemnified Taxes required to be deducted or withheld by reason of the receipt or accrual of the additional amounts payable pursuant to this clause (ii)) interest or any other such amounts payable under this Agreement at the rates or in the amounts specified in this Agreement.

If the Primary Liquidity Provider (including a successor Primary Liquidity Provider) is not organized under the laws of the United States or any State thereof, to the extent it is eligible to do so, the Primary Liquidity Provider agrees to provide to the Borrower, prior to the first date any amount is payable to it hereunder, two executed original copies of Internal Revenue Service Form W-8BEN or W-8ECI, as appropriate, or any successor or other form prescribed by the Internal Revenue Service, certifying that the Primary Liquidity Provider is exempt from or entitled to a reduced rate of United States withholding tax on payments pursuant to this Agreement. In addition, the Primary Liquidity Provider will provide, from time to time upon the reasonable request of the Borrower, such additional forms or documentation as may be necessary to establish an available exemption from (or an entitlement to a reduced rate of) withholding tax on payments hereunder. Within 30 days after the date of each payment hereunder, the Borrower shall furnish to the Primary Liquidity Provider the original or certified copy of (or other documentary evidence of) the payment of the Indemnified Taxes applicable to such payment.

(b) If the Primary Liquidity Provider (including a successor Primary Liquidity Provider) is not organized under the laws of the United States or any State thereof, all Advances made by the Primary Liquidity Provider under this Agreement shall be made free and clear of, and without reduction for or on account of, any Taxes that are imposed by a jurisdiction in which the Primary Liquidity Provider is organized, has its Lending Office or maintains its principal place of business. If any such Taxes are required to be withheld or deducted from any Advances, the Primary Liquidity Provider shall (i) within the time prescribed therefor by applicable law pay to the appropriate governmental or taxing authority the full amount of any such Taxes (and any additional Taxes in respect of the additional amounts payable under clause (ii) hereof) and make such reports or returns in connection therewith at the time or times and in the manner prescribed by applicable law, and (ii) pay to the Borrower an additional amount which (after deduction of

all such Taxes) shall be sufficient to yield to the Borrower the full amount that would have been received by it had no such withholding or deduction been required. The Borrower shall, for federal income tax purposes and for all purposes hereunder, treat such payments as Interest Advances, and, as such, will treat such payments as loans made by the Primary Liquidity Provider to the Borrower, unless otherwise required by law. Within 30 days after the date of each payment hereunder, the Primary Liquidity Provider shall furnish to the Borrower the original or a certified copy of (or other documentary evidence of) the payment of the Taxes applicable to such payment.

(c) If any exemption from, or reduction in the rate of, any Taxes required to be deducted or withheld from amounts payable by the Primary Liquidity Provider hereunder is reasonably available to the Borrower to establish that payments under this Agreement are exempt from (or entitled to a reduced rate of) Tax, the Borrower shall deliver to the Primary Liquidity Provider such form or forms and such other evidence of the eligibility of the Borrower for such exemption or reduction as the Primary Liquidity Provider may reasonably identify to the Borrower as being required as a condition to exemption from, or reduction in the rate of, any such Taxes.

Section 3.04 Payments. The Borrower shall make or cause to be made each payment to the Primary Liquidity Provider under this Agreement so as to cause the same to be received by the Primary Liquidity Provider not later than 1:00 p.m. (New York City time) on the day when due. The Borrower shall make all such payments in U.S. dollars, to the Primary Liquidity Provider in immediately available funds, by wire transfer to the account of Morgan Stanley Bank, at Citibank, New York, New York, ABA No. 021000089, Account Name: MS Bank, Account No. 30463591; or to such other U.S. bank account as the Primary Liquidity Provider may from time to time direct the Subordination Agent.

Section 3.05 Computations. All computations of interest based on the Base Rate shall be made on the basis of a year of 365 or 366 days, as the case may be, and all computations of interest based on the LIBOR Rate shall be made on the basis of a year of 360 days, in each case for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable.

Section 3.06 Payment on Non-Business Days. Whenever any payment to be made hereunder shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day and no additional interest shall be due as a result (and if so made, shall be deemed to have been made when due). If any payment in respect of interest on an Advance is so deferred to the next succeeding Business Day, such deferral shall not delay the commencement of the next Interest Period for such Advance (if such Advance is a LIBOR Advance) or reduce the number of days for which interest will be payable on such Advance on the next interest payment date for such Advance.

Section 3.07 Interest. (a) Subject to Section 2.09, the Borrower shall pay, or shall cause to be paid, without duplication, interest on (i) the unpaid principal amount of each Advance from and including the date of such Advance (or, in the case of an Applied Provider Advance, from and including the date on which the amount thereof was withdrawn from the Primary Cash Collateral Account to pay interest on the Class G Certificates) to but excluding the

date such principal amount shall be paid in full (or, in the case of an Applied Provider Advance, the date on which the Primary Cash Collateral Account is fully replenished in respect of such Advance) and (ii) any other amount due hereunder (whether fees, commissions, expenses or other amounts or, to the extent permitted by law, installments of interest on Advances or any such other amount) that is not paid when due (whether at stated maturity, by acceleration or otherwise) from and including the due date thereof to but excluding the date such amount is paid in full, in each such case, at a fluctuating interest rate per annum for each day equal to the Applicable Liquidity Rate (as defined below) for such Advance or such other amount, as the case may be, as in effect for such day, but in no event at a rate per annum greater than the maximum rate permitted by applicable law; provided, however, that, if at any time the otherwise applicable interest rate as set forth in this Section 3.07 shall exceed the maximum rate permitted by applicable law, then any subsequent reduction in such interest rate will not reduce the rate of interest payable pursuant to this Section 3.07 below the maximum rate permitted by applicable law until the total amount of interest accrued equals the amount of interest that would have accrued if such otherwise applicable interest rate as set forth in this Section 3.07 had at all times been in effect.

(b) Except as provided in clause (e) below, each Advance (including, without limitation, each outstanding Unapplied Downgrade Advance) will be either a Base Rate Advance or a LIBOR Advance as provided in this Section 3.07. Each such Advance will be a Base Rate Advance for the period from the date of its borrowing to (but excluding) the third Business Day following the Primary Liquidity Provider's receipt of the Notice of Borrowing for such Advance. Thereafter, such Advance shall be a LIBOR Advance; provided that the Borrower (at the direction of the Controlling Party, so long as the Primary Liquidity Provider is not the Controlling Party) may (x) convert the Final Advance into a Base Rate Advance on the last day of an Interest Period for such Advance by giving the Primary Liquidity Provider no less than four Business Days' prior written notice of such election or (y) elect to maintain the Final Advance as a Base Rate Advance by not requesting a conversion of the Final Advance to a LIBOR Advance under Clause (5) of the applicable Notice of Borrowing (or, if such Final Advance is deemed to have been made, without delivery of a Notice of Borrowing pursuant to Section 2.06, by requesting, prior to 11:00 a.m. (New York City time) on the first Business Day immediately following the Borrower's receipt of the applicable Termination Notice, that such Final Advance not be converted from a Base Rate Advance to a LIBOR Advance).

(c) Each LIBOR Advance shall bear interest during each Interest Period at a rate per annum equal to the LIBOR Rate for such Interest Period plus the Applicable Margin for such LIBOR Advance, payable in arrears on the last day of such Interest Period and, in the event of the payment of principal of such LIBOR Advance on a day other than such last day, on the date of such payment (to the extent of interest accrued on the amount of principal repaid).

(d) Each Base Rate Advance shall bear interest at a rate per annum equal to the Base Rate plus the Applicable Margin for such Base Rate Advance, payable in arrears on each Regular Distribution Date and, in the event of the payment of principal of such Base Rate Advance on a day other than a Regular Distribution Date, on the date of such payment (to the extent of interest accrued on the amount of principal repaid).

(e) Each outstanding Unapplied Non-Extension Advance shall bear interest in an amount equal to the Investment Earnings on amounts on deposit in the Primary Cash Collateral Account plus the Applicable Margin for such Unapplied Non-Extension Advance on the amount of such Unapplied Non-Extension Advance from time to time, payable in arrears on each Regular Distribution Date.

(f) Each amount not paid when due hereunder (whether fees, commissions, expenses or other amounts or, to the extent permitted by applicable law, installments of interest on Advances but excluding Advances) shall bear interest at a rate per annum equal to the Base Rate plus 2.00% until paid.

(g) Each change in the Base Rate shall become effective immediately. The rates of interest specified in this Section 3.07 with respect to any Advance or other amount shall be referred to as the “Applicable Liquidity Rate”.

Section 3.08 Replacement of Borrower. From time to time and subject to the successor Borrower’s meeting the eligibility requirements set forth in Section 6.9 of the Intercreditor Agreement applicable to the Subordination Agent, upon the effective date and time specified in a written and completed Notice of Replacement Subordination Agent in substantially the form of Annex VI attached hereto (a “Notice of Replacement Subordination Agent”) delivered to the Primary Liquidity Provider by the then Borrower, the successor Borrower designated therein shall be substituted for the Borrower for all purposes hereunder.

Section 3.09 Funding Loss Indemnification. The Borrower shall pay to the Primary Liquidity Provider, upon the request of the Primary Liquidity Provider, such amount or amounts as shall be sufficient (in the reasonable opinion of the Primary Liquidity Provider) to compensate it for any loss, cost, or expense incurred by reason of the liquidation or redeployment of deposits or other funds acquired by the Primary Liquidity Provider to fund or maintain any LIBOR Advance (but excluding loss of anticipated profits) incurred as a result of:

(1) Any repayment of a LIBOR Advance on a date other than the last day of the Interest Period for such Advance; or

(2) Any failure by the Borrower to borrow a LIBOR Advance on the date for borrowing specified in the relevant notice under Section 2.02.

Section 3.10 Illegality. Notwithstanding any other provision in this Agreement, if any change in any applicable law, rule or regulation, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by the Primary Liquidity Provider (or its Lending Office) with any request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency shall make it unlawful or impossible for the Primary Liquidity Provider (or its Lending Office) to maintain or fund its LIBOR Advances, then upon notice to the Borrower by the Primary Liquidity Provider, the outstanding principal amount of the LIBOR Advances shall be converted to Base Rate Advances (a) immediately upon demand of the Primary Liquidity Provider, if such change or compliance with such request, in the judgment of the Primary Liquidity Provider, requires immediate

repayment; or (b) at the expiration of the last Interest Period to expire before the effective date of any such change or request.

Section 3.11 Mitigation. If a condition arises or an event occurs which would, or would upon the giving of notice, result in the payment of any additional costs or amounts pursuant to Section 3.01, 3.02 or 3.03 or require the conversion of any Advance pursuant to Section 3.10, the Primary Liquidity Provider, promptly upon becoming aware of the same, shall notify the Borrower and shall use reasonable efforts (consistent with applicable legal and regulatory restrictions) to mitigate the effects of such condition or event, including the designation of a different Lending Office or furnishing of the proper certificates under any applicable tax laws, tax treaties and conventions to the extent that such certificates are legally available to the Primary Liquidity Provider; provided, that the Primary Liquidity Provider shall be under no obligation to take any step that, in its good-faith opinion would (i) result in its incurring any material additional costs in performing its obligations hereunder unless the Borrower has agreed to reimburse it therefor or (ii) be otherwise disadvantageous to the Primary Liquidity Provider in the reasonable judgment of the Primary Liquidity Provider.

ARTICLE IV

CONDITIONS PRECEDENT

Section 4.01 Conditions Precedent to Effectiveness of Section 2.01. Section 2.01 of this Agreement shall become effective on and as of the first date (the "Effective Date") on which the following conditions precedent have been satisfied or waived:

(a) The Primary Liquidity Provider shall have received each of the following, and in the case of each document delivered pursuant to paragraphs (i), (ii) and (iii), each in form and substance satisfactory to the Primary Liquidity Provider:

(i) This Agreement duly executed on behalf of the Borrower and the Fee Letter applicable to this Agreement duly executed on behalf of each of the parties thereto (other than the Primary Liquidity Provider);

(ii) The Intercreditor Agreement duly executed on behalf of each of the parties thereto (other than the Primary Liquidity Provider);

(iii) Fully executed copies of each of the Operative Agreements executed and delivered on or before the Closing Date (other than this Agreement, the Fee Letter applicable to this Agreement and the Intercreditor Agreement);

(iv) A copy of the Prospectus Supplement and specimen copies of the Class G Certificates;

(v) An executed copy of each document, instrument, certificate and opinion delivered on the Closing Date pursuant to the Class G Trust Agreement, the Intercreditor Agreement and the other Operative Agreements (in the case of each such opinion, other than the opinion of counsel for the Underwriter, either addressed to the Primary Liquidity Provider or accompanied by a letter from the counsel rendering such

opinion to the effect that the Primary Liquidity Provider is entitled to rely on such opinion as of its date as if it were addressed to the Primary Liquidity Provider);

(vi) Evidence that there shall have been made and shall be in full force and effect, all filings, recordings and/or registrations, and there shall have been given or taken any notice or other similar action as may be reasonably necessary or, to the extent reasonably requested by the Primary Liquidity Provider, reasonably advisable, in order to establish, perfect, protect and preserve the right, title and interest, remedies, powers, privileges, liens and security interests of, or for the benefit of, the Trustees, the Borrower and the Primary Liquidity Provider created by the Operative Agreements executed and delivered on or prior to the Closing Date;

(vii) An agreement from Continental, pursuant to which (i) Continental agrees to provide to the Primary Liquidity Provider (A) within 90 days after the end of each of the first three fiscal quarters in each fiscal year of Continental, a consolidated balance sheet of Continental as of the end of such quarter and related statements of income and cash flows for the period commencing at the end of the previous fiscal year and ending with the end of such quarter, setting forth in each case in comparative form the corresponding figures for the corresponding period in the preceding fiscal year, prepared in accordance with GAAP; provided, that so long as Continental is subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, a copy of Continental's report on Form 10-Q for such fiscal quarter (excluding exhibits) or a written notice executed by an authorized officer of Continental that such report has been filed with the Securities and Exchange Commission, providing a website address at which such report may be accessed and confirming that the report accessible at such website address conforms to the original report filed with the Securities and Exchange Commission, will satisfy this subclause (A), and (B) within 120 days after the end of each fiscal year of Continental, a consolidated balance sheet of Continental as of the end of such fiscal year and related statements of income and cash flows of Continental for such fiscal year, in comparative form with the preceding fiscal year, prepared in accordance with GAAP, together with a report of Continental's independent certified public accountants with respect to their audit of such financial statements; provided, that so long as Continental is subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, a copy of Continental's report on Form 10-K for such fiscal year (excluding exhibits) or a written notice executed by an authorized officer of Continental that such report has been filed with the Securities and Exchange Commission, providing a website address at which such report may be accessed and confirming that the report accessible at such website address conforms to the original report filed with the Securities and Exchange Commission, will satisfy this subclause (B), and (ii) Continental agrees to allow the Primary Liquidity Provider to inspect Continental's books and records regarding the transactions contemplated hereby or by the other Operative Agreements, and to discuss such transactions with officers and employees of Continental; and

(viii) Such other documents, instruments, opinions and approvals pertaining to the transactions contemplated hereby or by the other Operative Agreements as the Primary Liquidity Provider shall have reasonably requested.

(b) The following statement shall be true on and as of the Effective Date: no event has occurred and is continuing, or would result from the entering into of this Agreement or the making of any Advance, which constitutes a Liquidity Event of Default.

(c) The Primary Liquidity Provider shall have received payment in full of all fees and other sums required to be paid to or for the account of the Primary Liquidity Provider on or prior to the Effective Date.

(d) All conditions precedent to the issuance of the Certificates under the Trust Agreements shall have been satisfied or waived, and all conditions precedent to the purchase of the Class G Certificates and Class B Certificates by the Underwriter under the Underwriting Agreement shall have been satisfied or waived.

(e) The Borrower shall have received a certificate, dated the date hereof, signed by a duly authorized representative of the Primary Liquidity Provider, certifying that all conditions precedent to the effectiveness of Section 2.01 have been satisfied or waived.

Section 4.02 Conditions Precedent to Borrowing. The obligation of the Primary Liquidity Provider to make an Advance on the occasion of each Borrowing shall be subject to the conditions precedent that the Effective Date shall have occurred and, on or prior to the date of such Borrowing, the Borrower shall have delivered a Notice of Borrowing which conforms to the terms and conditions of this Agreement and has been completed as may be required by the relevant form of the Notice of Borrowing for the type of Advance requested.

ARTICLE V

COVENANTS

Section 5.01 Affirmative Covenants of the Borrower. So long as any Advance shall remain unpaid or the Primary Liquidity Provider shall have any Maximum Commitment hereunder or the Borrower shall have any obligation to pay any amount to the Primary Liquidity Provider hereunder, the Borrower will, unless the Primary Liquidity Provider shall otherwise consent in writing:

(a) Performance of This and Other Agreements. Punctually pay or cause to be paid all amounts payable by it under this Agreement and the other Operative Agreements and observe and perform in all material respects the conditions, covenants and requirements applicable to it contained in this Agreement and the other Operative Agreements.

(b) Reporting Requirements. Furnish to the Primary Liquidity Provider with reasonable promptness, such other information and data with respect to the transactions contemplated by the Operative Agreements as from time to time may be reasonably requested by the Primary Liquidity Provider; and permit the Primary Liquidity Provider, upon reasonable notice, to inspect the Borrower's books and records with respect to such transactions and to meet with officers and employees of the Borrower to discuss such transactions.

(c) Certain Operative Agreements. Furnish to the Primary Liquidity Provider with reasonable promptness, such Operative Agreements entered into after the date hereof as from time to time may be reasonably requested by the Primary Liquidity Provider.

Section 5.02 Negative Covenants of the Borrower. So long as any Advance shall remain unpaid or the Primary Liquidity Provider shall have any Maximum Commitment hereunder or the Borrower shall have any obligation to pay any amount to the Primary Liquidity Provider hereunder, the Borrower will not appoint or permit or suffer to be appointed any successor Borrower without the prior written consent of the Primary Liquidity Provider, which consent shall not be unreasonably withheld or delayed.

ARTICLE VI

LIQUIDITY EVENTS OF DEFAULT; LIQUIDITY PROVIDER REIMBURSEMENT DATE

Section 6.01 Liquidity Events of Default. If (a) any Liquidity Event of Default has occurred and is continuing and (b) any Equipment Note is a Non-Performing Equipment Note, the Primary Liquidity Provider may, in its discretion, deliver to the Borrower a Termination Notice, the effect of which shall be to cause (i) the obligation of the Primary Liquidity Provider to make Advances hereunder to expire on the fifth Business Day after the date on which such Termination Notice is received by the Borrower, (ii) the Borrower to promptly request, and the Primary Liquidity Provider to promptly make, a Final Advance in accordance with Section 2.02(d) hereof and Section 3.5(i) of the Intercreditor Agreement, (iii) all other outstanding Advances to be automatically converted into Final Advances for purposes of determining the Applicable Liquidity Rate for interest payable thereon, and (iv) subject to Sections 2.07 and 2.09 hereof, all Advances (including, without limitation, any Provider Advance and Applied Provider Advance), any accrued interest thereon and any other amounts outstanding hereunder to become immediately due and payable to the Primary Liquidity Provider.

Section 6.02 Liquidity Provider Reimbursement Date. Upon the occurrence of the Liquidity Provider Reimbursement Date, (i) the obligation of the Primary Liquidity Provider to make Advances hereunder shall automatically expire, (ii) all outstanding Advances shall be automatically converted into Final Advances, and (iii) subject to Sections 2.07 and 2.09 hereof, all Advances (including, without limitation, any Provider Advance and Applied Provider Advance), any accrued interest thereon and any other amounts outstanding hereunder shall become immediately due and payable to the Primary Liquidity Provider. On and after such date, no Advances shall be permitted hereunder.

ARTICLE VII

MISCELLANEOUS

Section 7.01 Amendments, Etc. No amendment or waiver of any provision of this Agreement, nor consent to any departure by the Borrower therefrom, shall in any event be effective unless the same shall be in writing and signed by the Primary Liquidity Provider, and, in the case of an amendment or waiver by the Borrower, the Borrower, and then such waiver or

consent shall be effective only in the specific instance and for the specific purpose for which given.

Section 7.02 Notices, Etc. Except as otherwise expressly provided herein, all notices and other communications provided for hereunder shall be in writing (including telecopier and mailed or delivered or sent by telecopier):

Borrower: Wilmington Trust Company
Rodney Square North
1100 North Market Street
Wilmington, DE 19890-0001
Attention: Corporate Trust Administration
Telephone: (800) 733-8485
Fax: (302) 651-8882

Primary Liquidity Provider: Morgan Stanley Bank
2500 Lake Park Blvd. Suite #3C
West Valley City, Utah 84120
Attention: Richard Felix, Chairman and Chief Credit Officer
Telephone: (212) 276-2972
Fax: (212) 507-3669

with a copy to: Morgan Stanley
1585 Broadway, 38th Floor
New York, NY 10036
Attention: Su Bai, Executive Director
Telephone: (212) 761-4729
Fax: (212) 507-5834

and

Morgan Stanley
1221 Avenue of the Americas, 27th Floor
New York, NY 10020
Attention: Andrew Neuberger, Managing Director
Telephone: (212) 762-6401
Fax: (212) 507-4137

or, as to each of the foregoing, at such other address as shall be designated by such Person in a written notice to the others. All such notices and communications shall be effective (i) if given by telecopier, when transmitted to the telecopier number specified above, (ii) if given by mail, when deposited in the mails addressed as specified above, and (iii) if given by other means, when delivered at the address specified above, except that written notices to the Primary Liquidity Provider pursuant to the provisions of Article II and Article III hereof shall not be effective until received by the Primary Liquidity Provider.

Section 7.03 No Waiver; Remedies. No failure on the part of the Primary Liquidity Provider to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right under this Agreement preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

Section 7.04 Further Assurances. The Borrower agrees to do such further acts and things and to execute and deliver to the Primary Liquidity Provider such additional assignments, agreements, powers and instruments as the Primary Liquidity Provider may reasonably require or deem advisable to carry into effect the purposes of this Agreement and the other Operative Agreements or to better assure and confirm unto the Primary Liquidity Provider its rights, powers and remedies hereunder and under the other Operative Agreements.

Section 7.05 Indemnification; Survival of Certain Provisions. The Primary Liquidity Provider shall be indemnified hereunder to the extent and in the manner described in Section 8.1 of the Note Purchase Agreement. In addition, the Borrower agrees to indemnify, protect, defend and hold harmless the Primary Liquidity Provider from, against and in respect of, and shall pay on demand, all Expenses of any kind or nature whatsoever (other than any Expenses of the nature described in Section 3.01, 3.02 or 7.07 hereof or in the Fee Letter applicable to this Agreement (regardless of whether indemnified against pursuant to said Sections or in such Fee Letter)), that may be imposed on, incurred by or asserted against any Liquidity Indemnitee, in any way relating to, resulting from, or arising out of or in connection with any action, suit or proceeding by any third party against such Liquidity Indemnitee and relating to this Agreement, the Fee Letter applicable to this Agreement, the Intercreditor Agreement or the Note Purchase Agreement; provided, however, that the Borrower shall not be required to indemnify, protect, defend and hold harmless any Liquidity Indemnitee in respect of any Expense of such Liquidity Indemnitee to the extent such Expense is (i) attributable to the gross negligence or willful misconduct of such Liquidity Indemnitee or any other Liquidity Indemnitee; (ii) ordinary and usual operating overhead expense; (iii) attributable to the failure by such Liquidity Indemnitee or any other Liquidity Indemnitee to perform or observe any agreement, covenant or condition on its part to be performed or observed in this Agreement, the Intercreditor Agreement, the Fee Letter applicable to this Agreement or any other Operative Agreement to which it is a party; or (iv) a Tax. The indemnities contained in Section 8.1 of the Note Purchase Agreement, and the provisions of Sections 3.01, 3.02, 3.03, 3.09, 7.05 and 7.07 hereof, shall survive the termination of this Agreement.

Section 7.06 Liability of the Primary Liquidity Provider. (a) Neither the Primary Liquidity Provider nor any of its officers, employees, directors or Affiliates shall be liable or responsible for: (i) the use which may be made of the Advances or any acts or omissions of the Borrower or any beneficiary or transferee in connection therewith; (ii) the validity, sufficiency or genuineness of documents, or of any endorsement thereon, even if such documents should prove to be in any or all respects invalid, insufficient, fraudulent or forged; or (iii) the making of Advances by the Primary Liquidity Provider against delivery of a Notice of Borrowing and other documents which do not comply with the terms hereof; provided, however, that the Borrower shall have a claim against the Primary Liquidity Provider, and the Primary Liquidity Provider shall be liable to the Borrower, to the extent of any damages suffered by the Borrower which were the result of (A) the Primary Liquidity Provider's willful misconduct or gross negligence in

determining whether documents presented hereunder comply with the terms hereof, or (B) any breach by the Primary Liquidity Provider of any of the terms of this Agreement or the Intercreditor Agreement, including, but not limited to, the Primary Liquidity Provider's failure to make lawful payment hereunder after the delivery to it by the Borrower of a Notice of Borrowing strictly complying with the terms and conditions hereof. In no event, however, shall the Primary Liquidity Provider be liable on any theory of liability for any special, indirect, consequential or punitive damages (including, without limitation, any loss of profits, business or anticipated savings).

(b) Neither the Primary Liquidity Provider nor any of its officers, employees, directors or Affiliates shall be liable or responsible in any respect for (i) any error, omission, interruption or delay in transmission, dispatch or delivery of any message or advice, however transmitted, in connection with this Agreement or any Notice of Borrowing delivered hereunder, or (ii) any action, inaction or omission which may be taken by it in good faith, absent willful misconduct or gross negligence (in which event the extent of the Primary Liquidity Provider's potential liability to the Borrower shall be limited as set forth in the immediately preceding paragraph), in connection with this Agreement or any Notice of Borrowing.

Section 7.07 Costs, Expenses and Taxes. The Borrower agrees to pay, or cause to be paid (A) on the Effective Date and on such later date or dates on which the Primary Liquidity Provider shall make demand, all reasonable out-of-pocket costs and expenses (including, without limitation, the reasonable fees and expenses of outside counsel for the Primary Liquidity Provider) of the Primary Liquidity Provider in connection with the preparation, negotiation, execution, delivery, filing and recording of this Agreement, any other Operative Agreement and any other documents which may be delivered in connection with this Agreement and (B) on demand, all reasonable costs and expenses (including reasonable counsel fees and expenses) of the Primary Liquidity Provider in connection with (i) the enforcement of this Agreement or any other Operative Agreement, (ii) the modification or amendment of, or supplement to, this Agreement or any other Operative Agreement or such other documents which may be delivered in connection herewith or therewith (whether or not the same shall become effective) or any waiver or consent thereunder (whether or not the same shall become effective) or (iii) any action or proceeding relating to any order, injunction, or other process or decree restraining or seeking to restrain the Primary Liquidity Provider from paying any amount under this Agreement, the Intercreditor Agreement or any other Operative Agreement or otherwise affecting the application of funds in the Primary Cash Collateral Account. In addition, the Borrower shall pay any and all recording, stamp and other similar taxes and fees payable or determined to be payable in connection with the execution, delivery, filing and recording of this Agreement, any other Operative Agreement and such other documents, and agrees to hold the Primary Liquidity Provider harmless from and against any and all liabilities with respect to or resulting from any delay in paying or omission to pay such taxes or fees.

Section 7.08 Binding Effect; Participations. (a) This Agreement shall be binding upon and inure to the benefit of the Borrower and the Primary Liquidity Provider and their respective successors and assigns, except that neither the Primary Liquidity Provider (except as otherwise provided in this Section 7.08) nor (except as contemplated by Section 3.08) the Borrower shall have the right to assign its rights or obligations hereunder or any interest herein without the prior written consent of the other party, subject to the requirements of Section 7.08(b). The Primary

Liquidity Provider may grant participations herein or in any of its rights hereunder (including, without limitation, funded participations and participations in rights to receive interest payments hereunder) and under the other Operative Agreements to such Persons (other than Continental and its Affiliates) as the Primary Liquidity Provider may in its sole discretion select, subject to the requirements of Section 7.08(b). No such granting of participations by the Primary Liquidity Provider, however, will relieve the Primary Liquidity Provider of its obligations hereunder. In connection with any participation or any proposed participation, the Primary Liquidity Provider may disclose to the participant or the proposed participant any information that the Borrower is required to deliver or to disclose to the Primary Liquidity Provider pursuant to this Agreement. The Borrower acknowledges and agrees that the Primary Liquidity Provider's source of funds may derive in part from its participants. Accordingly, references in this Agreement and the other Operative Agreements to determinations, reserve and capital adequacy requirements, increased costs, reduced receipts, additional amounts due pursuant to Section 3.03 and the like as they pertain to the Primary Liquidity Provider shall be deemed also to include those of each of its participants that are banks (subject, in each case, to the maximum amount that would have been incurred by or attributable to the Primary Liquidity Provider directly if the Primary Liquidity Provider, rather than the participant, had held the interest participated).

(b) If, pursuant to subsection (a) above, the Primary Liquidity Provider sells any participation in this Agreement to any bank or other entity (each, a "Transferee"), then, concurrently with the effectiveness of such participation, the Transferee shall (i) represent to the Primary Liquidity Provider (for the benefit of the Primary Liquidity Provider and the Borrower) either (A) that it is incorporated under the laws of the United States or a state thereof or (B) that under applicable law and treaties, no Taxes will be required to be withheld with respect to any payments to be made to such Transferee in respect of this Agreement, (ii) furnish to the Primary Liquidity Provider and the Borrower either (x) a statement that it is incorporated under the laws of the United States or a state thereof or (y) if it is not so incorporated, two copies of a properly completed United States Internal Revenue Service Form W-8ECI or Form W-8BEN, as appropriate, or other applicable form, certificate or document prescribed by the Internal Revenue Service certifying, in each case, such Transferee's entitlement to a complete exemption from United States federal withholding Tax in respect to any and all payments to be made hereunder, and (iii) agree (for the benefit of the Primary Liquidity Provider and the Borrower) to provide the Primary Liquidity Provider and the Borrower a new Form W-8ECI or Form W-8BEN, as appropriate, (A) on or before the date that any such form expires or becomes obsolete or (B) after the occurrence of any event requiring a change in the most recent form previously delivered by it and prior to the immediately following due date of any payment by the Borrower hereunder, certifying in the case of a Form W-8BEN or Form W-8ECI that such Transferee is entitled to a complete exemption from United States federal withholding tax on payments under this Agreement. Unless the Borrower has received forms or other documents reasonably satisfactory to it (and required by applicable law) indicating that payments hereunder are not subject to United States federal withholding tax, the Borrower will withhold taxes as required by law from such payments at the applicable statutory rate.

(c) Notwithstanding the other provisions of this Section 7.08, the Primary Liquidity Provider may assign and pledge all or any portion of the Advances owing to it to any Federal Reserve Bank or the United States Treasury as collateral security pursuant to Regulation A of the Board of Governors of the Federal Reserve System and any Operating Circular issued

by such Federal Reserve Bank, provided that any payment in respect of such assigned Advances made by the Borrower to the Primary Liquidity Provider in accordance with the terms of this Agreement shall satisfy the Borrower's obligations hereunder in respect of such assigned Advance to the extent of such payment. No such assignment shall release the Primary Liquidity Provider from its obligations hereunder.

Section 7.09 Severability. Any provision of this Agreement which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

Section 7.10 GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

Section 7.11 Submission to Jurisdiction; Waiver of Jury Trial. (a) Each of the parties hereto hereby irrevocably and unconditionally:

(i) submits for itself and its property in any legal action or proceeding relating to this Agreement or any other Operative Agreement, or for recognition and enforcement of any judgment in respect hereof or thereof, to the nonexclusive general jurisdiction of the courts of the State of New York, the courts of the United States of America for the Southern District of New York, and the appellate courts from any thereof;

(ii) consents that any such action or proceeding may be brought in such courts, and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(iii) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to each party hereto at its address set forth in Section 7.02 hereof, or at such other address of which the Primary Liquidity Provider shall have been notified pursuant thereto; and

(iv) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction.

(b) THE BORROWER AND THE PRIMARY LIQUIDITY PROVIDER EACH HEREBY AGREE TO WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY DEALINGS BETWEEN THEM RELATING TO THE SUBJECT MATTER OF THIS AGREEMENT AND THE RELATIONSHIP THAT IS BEING ESTABLISHED, including, without limitation, contract claims, tort claims, breach of duty claims and all other common law and statutory claims. The Borrower and the Primary Liquidity

Provider each warrant and represent that it has reviewed this waiver with its legal counsel, and that it knowingly and voluntarily waives its jury trial rights following consultation with such legal counsel. THIS WAIVER IS IRREVOCABLE, AND CANNOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT.

Section 7.12 Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same Agreement.

Section 7.13 Entirety. This Agreement, the Intercreditor Agreement and the other Operative Agreements to which the Primary Liquidity Provider is a party constitute the entire agreement of the parties hereto with respect to the subject matter hereof and supersedes all prior understandings and agreements of such parties.

Section 7.14 Headings. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

Section 7.15 PRIMARY LIQUIDITY PROVIDER'S OBLIGATION TO MAKE ADVANCES, EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, THE OBLIGATIONS OF THE PRIMARY LIQUIDITY PROVIDER TO MAKE ADVANCES HEREUNDER, AND THE BORROWER'S RIGHTS TO DELIVER NOTICES OF BORROWING REQUESTING THE MAKING OF ADVANCES HEREUNDER, SHALL BE UNCONDITIONAL AND IRREVOCABLE, AND SHALL BE PAID OR PERFORMED, IN EACH CASE STRICTLY IN ACCORDANCE WITH THE TERMS OF THIS AGREEMENT.

[signature pages follow]

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first set forth above.

WILMINGTON TRUST COMPANY,
not in its individual capacity but solely as
Subordination Agent, as agent and trustee
for the Class G Trust, as Borrower

By: _____
Name:
Title:

MORGAN STANLEY BANK,
as Primary Liquidity Provider

By: _____
Name:
Title:

INTEREST ADVANCE NOTICE OF BORROWING

The undersigned, a duly authorized signatory of the undersigned borrower (the "Borrower"), hereby certifies to MORGAN STANLEY BANK (the "Primary Liquidity Provider"), with reference to the Revolving Credit Agreement (2006-1G) dated as of June 9, 2006, between the Borrower and the Primary Liquidity Provider (the "Liquidity Agreement"; the terms defined therein and not otherwise defined herein being used herein as therein defined or referenced), that:

(1) The Borrower is the Subordination Agent under the Intercreditor Agreement.

(2) The Borrower is delivering this Notice of Borrowing for the making of an Interest Advance by the Primary Liquidity Provider to be used, subject to clause (3) below, for the payment of interest on the Class G Certificates which was payable on _____, ____ (the "Distribution Date") in accordance with the terms and provisions of the Class G Trust Agreement and the Class G Certificates, which Advance is requested to be made on _____, _____. The Interest Advance should be transferred to [name of bank/wire instructions/ABA number] in favor of account number [__], reference [__].

(3) The amount of the Interest Advance requested hereby (i) is \$ _____, ___, to be applied in respect of the payment of the interest which was due and payable on the Class G Certificates on the Distribution Date, (ii) does not include any amount with respect to the payment of principal of, or Premium on, the Class G Certificates, or principal of, or interest or Premium on, the Class B Certificates, (iii) was computed in accordance with the provisions of the Class G Certificates, the Liquidity Agreement, the Class G Trust Agreement and the Intercreditor Agreement (a copy of which computation is attached hereto as Schedule I), (iv) does not exceed the Maximum Available Commitment on the date hereof, and (v) has not been and is not the subject of a prior or contemporaneous Notice of Borrowing.

(4) Upon receipt by or on behalf of the Borrower of the amount requested hereby, (a) the Borrower will apply the same in accordance with the terms of Section 3.5(b) of the Intercreditor Agreement, (b) no portion of such amount shall be applied by the Borrower for any other purpose and (c) no portion of such amount until so applied shall be commingled with other funds held by the Borrower.

The Borrower hereby acknowledges that, pursuant to the Liquidity Agreement, the making of the Interest Advance as requested by this Notice of Borrowing shall automatically reduce, subject to reinstatement in accordance with the terms of the Liquidity Agreement, the Maximum Available Commitment by an amount equal to the amount of the Interest Advance requested to be made hereby as set forth in clause (i) of paragraph (3) of this Notice of

Borrowing and such reduction shall automatically result in corresponding reductions in the amounts available to be borrowed pursuant to a subsequent Advance.

IN WITNESS WHEREOF, the Borrower has executed and delivered this Notice of Borrowing as of the ____ day of _____, ____.

WILMINGTON TRUST COMPANY,
not in its individual capacity but solely as
Subordination Agent, as agent and trustee
for the Class G Trust, as Borrower

By: _____
Name:
Title:

SCHEDULE I TO INTEREST ADVANCE NOTICE OF BORROWING

[Insert copy of computations in accordance with Interest Advance Notice of Borrowing]

NON-EXTENSION ADVANCE NOTICE OF BORROWING

The undersigned, a duly authorized signatory of the undersigned borrower (the "Borrower"), hereby certifies to MORGAN STANLEY BANK (the "Primary Liquidity Provider"), with reference to the Revolving Credit Agreement (2006-1G) dated as of June 9, 2006, between the Borrower and the Primary Liquidity Provider (the "Liquidity Agreement"; the terms defined therein and not otherwise defined herein being used herein as therein defined or referenced), that:

(1) The Borrower is the Subordination Agent under the Intercreditor Agreement.

(2) The Borrower is delivering this Notice of Borrowing for the making of the Non-Extension Advance by the Primary Liquidity Provider to be used for the funding of the Primary Cash Collateral Account in accordance with Section 3.5(d) of the Intercreditor Agreement, which Advance is requested to be made on _____, _____. The Non-Extension Advance should be transferred to [name of bank/wire instructions/ABA number] in favor of account number [___], reference [___].

(3) The amount of the Non-Extension Advance requested hereby (i) is \$ _____, ___, which equals the Maximum Available Commitment on the date hereof and is to be applied in respect of the funding of the Primary Cash Collateral Account in accordance with Sections 3.5(d) and 3.5(f) of the Intercreditor Agreement, (ii) does not include any amount with respect to the payment of the principal of, or Premium on, the Class G Certificates, or principal of, or interest or Premium on, the Class B Certificates, (iii) was computed in accordance with the provisions of the Class G Certificates, the Liquidity Agreement, the Class G Trust Agreement and the Intercreditor Agreement (a copy of which computation is attached hereto as Schedule I), and (iv) has not been and is not the subject of a prior or contemporaneous Notice of Borrowing under the Liquidity Agreement.

(4) Upon receipt by or on behalf of the Borrower of the amount requested hereby, (a) the Borrower will deposit such amount in the Primary Cash Collateral Account and apply the same in accordance with the terms of Sections 3.5(d) and 3.5(f) of the Intercreditor Agreement, (b) no portion of such amount shall be applied by the Borrower for any other purpose and (c) no portion of such amount until so applied shall be commingled with other funds held by the Borrower.

The Borrower hereby acknowledges that, pursuant to the Liquidity Agreement, (A) the making of the Non-Extension Advance as requested by this Notice of Borrowing shall automatically and irrevocably terminate the obligation of the Primary Liquidity Provider to make further Advances under the Liquidity Agreement; and (B) following the making by the Primary Liquidity Provider of the Non-Extension Advance requested by this Notice of Borrowing, the Borrower shall not be entitled to request any further Advances under the Liquidity Agreement.

IN WITNESS WHEREOF, the Borrower has executed and delivered this Notice of Borrowing as of the ____ day of _____, ____.

WILMINGTON TRUST COMPANY,
not in its individual capacity but solely as
Subordination Agent, as agent and trustee
for the Class G Trust, as Borrower

By: _____
Name:
Title:

SCHEDULE I TO NON-EXTENSION ADVANCE NOTICE OF BORROWING

[Insert copy of computations in accordance with Non-Extension Advance Notice of Borrowing]

DOWNGRADE ADVANCE NOTICE OF BORROWING

The undersigned, a duly authorized signatory of the undersigned borrower (the "Borrower"), hereby certifies to MORGAN STANLEY BANK (the "Primary Liquidity Provider"), with reference to the Revolving Credit Agreement (2006-1G) dated as of June 9, 2006, between the Borrower and the Primary Liquidity Provider (the "Liquidity Agreement"; the terms defined therein and not otherwise defined herein being used herein as therein defined or referenced), that:

(1) The Borrower is the Subordination Agent under the Intercreditor Agreement.

(2) The Borrower is delivering this Notice of Borrowing for the making of the Downgrade Advance by the Primary Liquidity Provider to be used for the funding of the Primary Cash Collateral Account in accordance with Section 3.5(c) of the Intercreditor Agreement by reason of the occurrence of a Downgrade Event, which Advance is requested to be made on _____, _____. The Downgrade Advance should be transferred to [name of bank/wire instructions/ABA number] in favor of account number [___], reference [___].

(3) The amount of the Downgrade Advance requested hereby (i) is \$ _____, which equals the Maximum Available Commitment on the date hereof and is to be applied in respect of the funding of the Primary Cash Collateral Account in accordance with Sections 3.5(c) and 3.5(f) of the Intercreditor Agreement, (ii) does not include any amount with respect to the payment of the principal of, or Premium on, the Class G Certificates, or principal of, or interest or Premium on, the Class B Certificates, (iii) was computed in accordance with the provisions of the Class G Certificates, the Liquidity Agreement, the Class G Trust Agreement and the Intercreditor Agreement (a copy of which computation is attached hereto as Schedule I), and (iv) has not been and is not the subject of a prior or contemporaneous Notice of Borrowing under the Liquidity Agreement.

(4) Upon receipt by or on behalf of the Borrower of the amount requested hereby, (a) the Borrower will deposit such amount in the Primary Cash Collateral Account and apply the same in accordance with the terms of Sections 3.5(c) and 3.5(f) of the Intercreditor Agreement, (b) no portion of such amount shall be applied by the Borrower for any other purpose and (c) no portion of such amount until so applied shall be commingled with other funds held by the Borrower.

The Borrower hereby acknowledges that, pursuant to the Liquidity Agreement, (A) the making of the Downgrade Advance as requested by this Notice of Borrowing shall automatically and irrevocably terminate the obligation of the Primary Liquidity Provider to make further Advances under the Liquidity Agreement; and (B) following the making by the Primary

Liquidity Provider of the Downgrade Advance requested by this Notice of Borrowing, the Borrower shall not be entitled to request any further Advances under the Liquidity Agreement.

IN WITNESS WHEREOF, the Borrower has executed and delivered this Notice of Borrowing as of the ____ day of _____, ____.

WILMINGTON TRUST COMPANY,
not in its individual capacity but solely as
Subordination Agent, as agent and trustee
for the Class G Trust, as Borrower

By: _____
Name:
Title:

SCHEDULE I TO DOWNGRADE ADVANCE NOTICE OF BORROWING

[Insert copy of computations in accordance with Downgrade Advance Notice of Borrowing]

FINAL ADVANCE NOTICE OF BORROWING

The undersigned, a duly authorized signatory of the undersigned borrower (the "Borrower"), hereby certifies to MORGAN STANLEY BANK (the "Primary Liquidity Provider"), with reference to the Revolving Credit Agreement (2006-1G) dated as of June 9, 2006, between the Borrower and the Primary Liquidity Provider (the "Liquidity Agreement"; the terms defined therein and not otherwise defined herein being used herein as therein defined or referenced), that:

(1) The Borrower is the Subordination Agent under the Intercreditor Agreement.

(2) The Borrower is delivering this Notice of Borrowing for the making of the Final Advance by the Primary Liquidity Provider to be used for the funding of the Primary Cash Collateral Account in accordance with Section 3.5(i) of the Intercreditor Agreement by reason of the receipt by the Borrower of a Termination Notice from the Primary Liquidity Provider with respect to the Liquidity Agreement, which Advance is requested to be made on _____, _____. The Final Advance should be transferred to [name of bank/wire instructions/ABA number] in favor of account number [___], reference [___].

(3) The amount of the Final Advance requested hereby (i) is \$ _____, which equals the Maximum Available Commitment on the date hereof and is to be applied in respect of the funding of the Primary Cash Collateral Account in accordance with Sections 3.5(f) and 3.5(i) of the Intercreditor Agreement, (ii) does not include any amount with respect to the payment of principal of, or Premium on, the Class G Certificates, or principal of, or interest or Premium on, the Class B Certificates, (iii) was computed in accordance with the provisions of the Class G Certificates, the Liquidity Agreement, the Class G Trust Agreement and the Intercreditor Agreement (a copy of which computation is attached hereto as Schedule I), and (iv) has not been and is not the subject of a prior or contemporaneous Notice of Borrowing.

(4) Upon receipt by or on behalf of the Borrower of the amount requested hereby, (a) the Borrower will deposit such amount in the Primary Cash Collateral Account and apply the same in accordance with the terms of Sections 3.5(f) and 3.5(i) of the Intercreditor Agreement, (b) no portion of such amount shall be applied by the Borrower for any other purpose and (c) no portion of such amount until so applied shall be commingled with other funds held by the Borrower.

(5) The Borrower hereby requests that the Advance requested hereby be a Base Rate Advance [and that such Base Rate Advance be converted into a LIBOR Advance on the third Business Day following your receipt of this notice.]¹

The Borrower hereby acknowledges that, pursuant to the Liquidity Agreement, (A) the making of the Final Advance as requested by this Notice of Borrowing shall automatically and irrevocably terminate the obligation of the Primary Liquidity Provider to make further Advances under the Liquidity Agreement; and (B) following the making by the Primary Liquidity Provider of the Final Advance requested by this Notice of Borrowing, the Borrower shall not be entitled to request any further Advances under the Liquidity Agreement.

IN WITNESS WHEREOF, the Borrower has executed and delivered this Notice of Borrowing as of the ____ day of _____, ____.

WILMINGTON TRUST COMPANY,
not in its individual capacity but solely as
Subordination Agent, as agent and trustee
for the Class G Trust, as Borrower

By: _____
Name:
Title:

¹ Bracketed language may be included at Borrower's option.

SCHEDULE I TO FINAL ADVANCE NOTICE OF BORROWING

[Insert copy of computations in accordance with Final Advance Notice of Borrowing]

NOTICE OF TERMINATION

[Date]

Wilmington Trust Company,
as Subordination Agent, as Borrower
Rodney Square North
1100 North Market Street
Wilmington, DE 19890-0001

Attention: Corporate Trust Administration

Revolving Credit Agreement, dated as of June 9, 2006, between Wilmington Trust Company, as Subordination Agent, as agent and trustee for the Continental Airlines Pass Through Trust, 2006-1G, as Borrower, and Morgan Stanley Bank (the "Liquidity Agreement")

Ladies and Gentlemen:

You are hereby notified that, pursuant to Section 6.01 of the Liquidity Agreement, by reason of an Equipment Note being a Non-Performing Equipment Note and the occurrence and continuance of a Liquidity Event of Default (each as defined therein), we are giving this notice to you in order to cause (i) our obligations to make Advances (as defined therein) under such Liquidity Agreement to terminate on the fifth Business Day after the date on which you receive this notice and (ii) you to request a Final Advance under the Liquidity Agreement pursuant to Section 3.5(i) of the Intercreditor Agreement (as defined in the Liquidity Agreement) as a consequence of your receipt of this notice.

THIS NOTICE IS THE "NOTICE OF TERMINATION" PROVIDED FOR UNDER THE LIQUIDITY AGREEMENT. OUR OBLIGATIONS TO MAKE ADVANCES UNDER THE LIQUIDITY AGREEMENT WILL TERMINATE ON THE FIFTH BUSINESS DAY AFTER THE DATE ON WHICH YOU RECEIVE THIS NOTICE.

Very truly yours,

MORGAN STANLEY BANK,
as Primary Liquidity Provider

By: _____
Name:
Title:

cc: Wilmington Trust Company,
as Class G Trustee

NOTICE OF REPLACEMENT SUBORDINATION AGENT

[Date]

Attention:

Revolving Credit Agreement, dated as of June 9, 2006, between Wilmington Trust Company, as Subordination Agent, as agent and trustee for the Continental Airlines Pass Through Trust, 2006-1G, as Borrower, and Morgan Stanley Bank (the "Liquidity Agreement")

Ladies and Gentlemen:

For value received, the undersigned beneficiary hereby irrevocably transfers to:

[Name of Transferee]

[Address of Transferee]

all rights and obligations of the undersigned as Borrower under the Liquidity Agreement referred to above. The transferee has succeeded the undersigned as Subordination Agent under the Intercreditor Agreement referred to in the first paragraph of the Liquidity Agreement, pursuant to the terms of Section 8.1 of the Intercreditor Agreement.

By this transfer, all rights of the undersigned as Borrower under the Liquidity Agreement are transferred to the transferee and the transferee shall hereafter have the sole rights and obligations as Borrower thereunder. The undersigned shall pay any costs and expenses of such transfer, including, but not limited to, transfer taxes or governmental charges.

We ask that this transfer be effective as of _____, ____.

WILMINGTON TRUST COMPANY,
not in its individual capacity but solely as
Subordination Agent, as agent and trustee
for the Class G Trust, as Borrower

By: _____
Name:
Title:

ISDA[®]

International Swap Dealers Association, Inc.

MASTER AGREEMENT

dated as of June 9, 2006

between

Morgan Stanley Capital Services Inc. (“Party A”)

and

Wilmington Trust Company (“Party B”),
in its capacity as Subordination Agent on
behalf of the Trustee under the Continental
Airlines Pass Through Trust 2006-1G

have entered and/or anticipate entering into one or more transactions (each a “Transaction”) that are or will be governed by this Master Agreement, which includes the schedule (the “Schedule”), and the documents and other confirming evidence (each a “Confirmation”) exchanged between the parties confirming those Transactions.

Accordingly, the parties agree as follows:

1. Interpretation

- (a) **Definitions.** The terms defined in Section 14 and in the Schedule will have the meanings therein specified for the purpose of this Master Agreement.
- (b) **Inconsistency.** In the event of any inconsistency between the provisions of the Schedule and the other provisions of this Master Agreement, the Schedule will prevail. In the event of any inconsistency between the provisions of any Confirmation and this Master Agreement (including the Schedule), such Confirmation will prevail for the purpose of the relevant Transaction.
- (c) **Single Agreement.** All Transactions are entered into in reliance on the fact that this Master Agreement and all Confirmations form a single agreement between the parties (collectively referred to as this “Agreement”), and the parties would not otherwise enter into any Transactions.

2. Obligations

- (a) **General Conditions.**
 - (i) Each party will make each payment or delivery specified in each Confirmation to be made by it, subject to the other provisions of this Agreement.
 - (ii) Payments under this Agreement will be made on the due date for value on that date in the place of the account specified in the relevant Confirmation or otherwise pursuant to this Agreement, in freely transferable funds and in the manner customary for payments in the required currency. Where settlement is by delivery (that is, other than by payment), such delivery will be made for receipt on the due date in the manner customary for the relevant obligation unless otherwise specified in the relevant Confirmation or elsewhere in this Agreement.
 - (iii) Each obligation of each party under Section 2(a)(i) is subject to (1) the condition precedent that no Event of Default or Potential Event of Default with respect to the other party has occurred and is continuing, (2) the condition precedent that no Early Termination Date in respect of the relevant Transaction has occurred or been effectively designated and (3) each other applicable condition precedent specified in this Agreement.
-

(b) **Change of Account.** Either party may change its account for receiving a payment or delivery by giving notice to the other party at least five Local Business Days prior to the scheduled date for the payment or delivery to which such change applies unless such other party gives timely notice of a reasonable objection to such change.

(c) **Netting.** If on any date amounts would otherwise be payable:—

- (i) in the same currency; and
- (ii) in respect of the same Transaction,

by each party to the other, then, on such date, each party's obligation to make payment of any such amount will be automatically satisfied and discharged and, if the aggregate amount that would otherwise have been payable by one party exceeds the aggregate amount that would otherwise have been payable by the other party, replaced by an obligation upon the party by whom the larger aggregate amount would have been payable to pay to the other party the excess of the larger aggregate amount over the smaller aggregate amount.

The parties may elect in respect of two or more Transactions that a net amount will be determined in respect of all amounts payable on the same date in the same currency in respect of such Transactions, regardless of whether such amounts are payable in respect of the same Transaction. The election may be made in the Schedule or a Confirmation by specifying that subparagraph (ii) above will not apply to the Transactions identified as being subject to the election, together with the starting date (in which case subparagraph (ii) above will not, or will cease to, apply to such Transactions from such date). This election may be made separately for different groups of Transactions and will apply separately to each pairing of Offices through which the parties make and receive payments or deliveries.

(d) **Deduction or Withholding for Tax.**

(i) **Gross-Up.** All payments under this Agreement will be made without any deduction or withholding for or on account of any Tax unless such deduction or withholding is required by any applicable law, as modified by the practice of any relevant governmental revenue authority, then in effect. If a party is so required to deduct or withhold, then that party ("X") will:—

- (1) promptly notify the other party ("Y") of such requirement;
- (2) pay to the relevant authorities the full amount required to be deducted or withheld (including the full amount required to be deducted or withheld from any additional amount paid by X to Y under this Section 2(d)) promptly upon the earlier of determining that such deduction or withholding is required or receiving notice that such amount has been assessed against Y;
- (3) promptly forward to Y an official receipt (or a certified copy), or other documentation reasonably acceptable to Y, evidencing such payment to such authorities; and
- (4) if such Tax is an Indemnifiable Tax, pay to Y, in addition to the payment to which Y is otherwise entitled under this Agreement, such additional amount as is necessary to ensure that the net amount actually received by Y (free and clear of Indemnifiable Taxes, whether assessed against X or Y) will equal the full amount Y would have received had no such deduction or withholding been required. However, X will not be required to pay any additional amount to Y to the extent that it would not be required to be paid but for:—

(A) the failure by Y to comply with or perform any agreement contained in Section 4(a)(i), 4(a)(iii) or 4(d); or

(B) the failure of a representation made by Y pursuant to Section 3(f) to be accurate and true unless such failure would not have occurred but for (I) any action taken by a taxing authority, or brought in a court of competent jurisdiction, on or after the date on which a Transaction is entered into (regardless of whether such action is taken or brought with respect to a party to this Agreement) or (II) a Change in Tax Law.

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(ii) **Liability.** If:—

- (1) X is required by any applicable law, as modified by the practice of any relevant governmental revenue authority, to make any deduction or withholding in respect of which X would not be required to pay an additional amount to Y under Section 2(d)(i)(4);
- (2) X does not so deduct or withhold; and
- (3) a liability resulting from such Tax is assessed directly against X,

then, except to the extent Y has satisfied or then satisfies the liability resulting from such Tax, Y will promptly pay to X the amount of such liability (including any related liability for interest, but including any related liability for penalties only if Y has failed to comply with or perform any agreement contained in Section 4(a)(i), 4(a)(iii) or 4(d)).

(e) **Default Interest; Other Amounts.** Prior to the occurrence or effective designation of an Early Termination Date in respect of the relevant Transaction, a party that defaults in the performance of any payment obligation will, to the extent permitted by law and subject to Section 6(c), be required to pay interest (before as well as after judgment) on the overdue amount to the other party on demand in the same currency as such overdue amount, for the period from (and including) the original due date for payment to (but excluding) the date of actual payment, at the Default Rate. Such interest will be calculated on the basis of daily compounding and the actual number of days elapsed. If, prior to the occurrence or effective designation of an Early Termination Date in respect of the relevant Transaction, a party defaults in the performance of any obligation required to be settled by delivery, it will compensate the other party on demand if and to the extent provided for in the relevant Confirmation or elsewhere in this Agreement.

3. Representations

Each party represents to the other party (which representations will be deemed to be repeated by each party on each date on which a Transaction is entered into and, in the case of the representations in Section 3(f), at all times until the termination of this Agreement) that:—

(a) **Basic Representations.**

- (i) **Status.** It is duly organised and validly existing under the laws of the jurisdiction of its organisation or incorporation and, if relevant under such laws, in good standing;
- (ii) **Powers.** It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and any other documentation relating to this Agreement that it is required by this Agreement to deliver and to perform its obligations under this Agreement and any obligations it has under any Credit Support Document to which it is a party and has taken all necessary action to authorise such execution, delivery and performance;
- (iii) **No Violation or Conflict.** Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets;
- (iv) **Consents.** All governmental and other consents that are required to have been obtained by it with respect to this Agreement or any Credit Support Document to which it is a party have been obtained and are in full force and effect and all conditions of any such consents have been complied with; and
- (v) **Obligations Binding.** Its obligations under this Agreement and any Credit Support Document to which it is a party constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganisation, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

(b) **Absence of Certain Events.** No Event of Default or Potential Event of Default or, to its knowledge, Termination Event with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement or any Credit Support Document to which it is a party.

(c) **Absence of Litigation.** There is not pending or, to its knowledge, threatened against it or any of its Affiliates any action, suit or proceeding at law or in equity or before any court, tribunal, governmental body, agency or official or any arbitrator that is likely to affect the legality, validity or enforceability against it of this Agreement or any Credit Support Document to which it is a party or its ability to perform its obligations under this Agreement or such Credit Support Document.

(d) **Accuracy of Specified Information.** All applicable information that is furnished in writing by or on behalf of it to the other party and is identified for the purpose of this Section 3(d) in the Schedule is, as of the date of the information, true, accurate and complete in every material respect.

(e) **Payer Tax Representation.** Each representation specified in the Schedule as being made by it for the purpose of this Section 3(e) is accurate and true.

(f) **Payee Tax Representations.** Each representation specified in the Schedule as being made by it for the purpose of this Section 3(f) is accurate and true.

4. Agreements

Each party agrees with the other that, so long as either party has or may have any obligation under this Agreement or under any Credit Support Document to which it is a party:—

(a) **Furnish Specified Information.** It will deliver to the other party or, in certain cases under subparagraph (iii) below, to such government or taxing authority as the other party reasonably directs:—

(i) any forms, documents or certificates relating to taxation specified in the Schedule or any Confirmation;

(ii) any other documents specified in the Schedule or any Confirmation; and

(iii) upon reasonable demand by such other party, any form or document that may be required or reasonably requested in writing in order to allow such other party or its Credit Support Provider to make a payment under this Agreement or any applicable Credit Support Document without any deduction or withholding for or on account of any Tax or with such deduction or withholding at a reduced rate (so long as the completion, execution or submission of such form or document would not materially prejudice the legal or commercial position of the party in receipt of such demand), with any such form or document to be accurate and completed in a manner reasonably satisfactory to such other party and to be executed and to be delivered with any reasonably required certification,

in each case by the date specified in the Schedule or such Confirmation or, if none is specified, as soon as reasonably practicable.

(b) **Maintain Authorisations.** It will use all reasonable efforts to maintain in full force and effect all consents of any governmental or other authority that are required to be obtained by it with respect to this Agreement or any Credit Support Document to which it is a party and will use all reasonable efforts to obtain any that may become necessary in the future.

(c) **Comply with Laws.** It will comply in all material respects with all applicable laws and orders to which it may be subject if failure so to comply would materially impair its ability to perform its obligations under this Agreement or any Credit Support Document to which it is a party.

(d) **Tax Agreement.** It will give notice of any failure of a representation made by it under Section 3(f) to be accurate and true promptly upon learning of such failure.

(e) **Payment of Stamp Tax.** Subject to Section 11, it will pay any Stamp Tax levied or imposed upon it or in respect of its execution or performance of this Agreement by a jurisdiction in which it is incorporated,

organised, managed and controlled, or considered to have its seat, or in which a branch or office through which it is acting for the purpose of this Agreement is located (“Stamp Tax Jurisdiction”) and will indemnify the other party against any Stamp Tax levied or imposed upon the other party or in respect of the other party’s execution or performance of this Agreement by any such Stamp Tax Jurisdiction which is not also a Stamp Tax Jurisdiction with respect to the other party.

5. Events of Default and Termination Events

(a) **Events of Default.** The occurrence at any time with respect to a party or, if applicable, any Credit Support Provider of such party or any Specified Entity of such party of any of the following events constitutes an event of default (an “Event of Default”) with respect to such party:—

(i) **Failure to Pay or Deliver.** Failure by the party to make, when due, any payment under this Agreement or delivery under Section 2(a)(i) or 2(e) required to be made by it if such failure is not remedied on or before the third Local Business Day after notice of such failure is given to the party;

(ii) **Breach of Agreement.** Failure by the party to comply with or perform any agreement or obligation (other than an obligation to make any payment under this Agreement or delivery under Section 2(a)(i) or 2(e) or to give notice of a Termination Event or any agreement or obligation under Section 4(a)(i), 4(a)(iii) or 4(d)) to be complied with or performed by the party in accordance with this Agreement if such failure is not remedied on or before the thirtieth day after notice of such failure is given to the party;

(iii) **Credit Support Default.**

(1) Failure by the party or any Credit Support Provider of such party to comply with or perform any agreement or obligation to be complied with or performed by it in accordance with any Credit Support Document if such failure is continuing after any applicable grace period has elapsed;

(2) the expiration or termination of such Credit Support Document or the failing or ceasing of such Credit Support Document to be in full force and effect for the purpose of this Agreement (in either case other than in accordance with its terms) prior to the satisfaction of all obligations of such party under each Transaction to which such Credit Support Document relates without the written consent of the other party; or

(3) the party or such Credit Support Provider disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, such Credit Support Document;

(iv) **Misrepresentation.** A representation (other than a representation under Section 3(e) or (f)) made or repeated or deemed to have been made or repeated by the party or any Credit Support Provider of such party in this Agreement or any Credit Support Document proves to have been incorrect or misleading in any material respect when made or repeated or deemed to have been made or repeated;

(v) **Default under Specified Transaction.** The party, any Credit Support Provider of such party or any applicable Specified Entity of such party (1) defaults under a Specified Transaction and, after giving effect to any applicable notice requirement or grace period, there occurs a liquidation of, an acceleration of obligations under, or an early termination of, that Specified Transaction, (2) defaults, after giving effect to any applicable notice requirement or grace period, in making any payment or delivery due on the last payment, delivery or exchange date of, or any payment on early termination of, a Specified Transaction (or such default continues for at least three Local Business Days if there is no applicable notice requirement or grace period) or (3) disaffirms, disclaims, repudiates or rejects, in whole or in part, a Specified Transaction (or such action is taken by any person or entity appointed or empowered to operate it or act on its behalf);

(vi) **Cross Default.** If “Cross Default” is specified in the Schedule as applying to the party, the occurrence or existence of (1) a default, event of default or other similar condition or event (however

described) in respect of such party, any Credit Support Provider of such party or any applicable Specified Entity of such party under one or more agreements or instruments relating to Specified Indebtedness of any of them (individually or collectively) in an aggregate amount of not less than the applicable Threshold Amount (as specified in the Schedule) which has resulted in such Specified Indebtedness becoming, or becoming capable at such time of being declared, due and payable under such agreements or instruments, before it would otherwise have been due and payable or (2) a default by such party, such Credit Support Provider or such Specified Entity (individually or collectively) in making one or more payments on the due date thereof in an aggregate amount of not less than the applicable Threshold Amount under such agreements or instruments (after giving effect to any applicable notice requirement or grace period);

(vii) **Bankruptcy.** The party, any Credit Support Provider of such party or any applicable Specified Entity of such party:—

(1) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (2) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (3) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (4) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof; (5) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (6) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (7) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter; (8) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (1) to (7) (inclusive); or (9) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts; or

(viii) **Merger Without Assumption.** The party or any Credit Support Provider of such party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer:—

(1) the resulting, surviving or transferee entity fails to assume all the obligations of such party or such Credit Support Provider under this Agreement or any Credit Support Document to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other party to this Agreement; or

(2) the benefits of any Credit Support Document fail to extend (without the consent of the other party) to the performance by such resulting, surviving or transferee entity of its obligations under this Agreement.

(b) **Termination Events.** The occurrence at any time with respect to a party or, if applicable, any Credit Support Provider of such party or any Specified Entity of such party of any event specified below constitutes an Illegality if the event is specified in (i) below, a Tax Event if the event is specified in (ii) below or a Tax Event Upon Merger if the event is specified in (iii) below, and, if specified to be applicable, a Credit Event

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Upon Merger if the event is specified pursuant to (iv) below or an Additional Termination Event if the event is specified pursuant to (v) below:—

(i) **Illegality.** Due to the adoption of, or any change in, any applicable law after the date on which a Transaction is entered into, or due to the promulgation of, or any change in, the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law after such date, it becomes unlawful (other than as a result of a breach by the party of Section 4(b)) for such party (which will be the Affected Party):

(1) to perform any absolute or contingent obligation to make a payment or delivery or to receive a payment or delivery in respect of such Transaction or to comply with any other material provision of this Agreement relating to such Transaction; or

(2) to perform, or for any Credit Support Provider of such party to perform, any contingent or other obligation which the party (or such Credit Support Provider) has under any Credit Support Document relating to such Transaction;

(ii) **Tax Event.** Due to (x) any action taken by a taxing authority, or brought in a court of competent jurisdiction, on or after the date on which a Transaction is entered into (regardless of whether such action is taken or brought with respect to a party to this Agreement) or (y) a Change in Tax Law, the party (which will be the Affected Party) will, or there is a substantial likelihood that it will, on the next succeeding Scheduled Payment Date (1) be required to pay to the other party an additional amount in respect of an Indemnifiable Tax under Section 2(d)(i)(4) (except in respect of interest under Section 2(e), 6(d)(ii) or 6(e)) or (2) receive a payment from which an amount is required to be deducted or withheld for or on account of a Tax (except in respect of interest under Section 2(e), 6(d)(ii) or 6(e)) and no additional amount is required to be paid in respect of such Tax under Section 2(d)(i)(4) (other than by reason of Section 2(d)(i)(4)(A) or (B));

(iii) **Tax Event Upon Merger.** The party (the “Burdened Party”) on the next succeeding Scheduled Payment Date will either (1) be required to pay an additional amount in respect of an Indemnifiable Tax under Section 2(d)(i)(4) (except in respect of interest under Section 2(e), 6(d)(ii) or 6(e)) or (2) receive a payment from which an amount has been deducted or withheld for or on account of any Indemnifiable Tax in respect of which the other party is not required to pay an additional amount (other than by reason of Section 2(d)(i)(4)(A) or (B)), in either case as a result of a party consolidating or amalgamating with, or merging with or into, or transferring all or substantially all its assets to, another entity (which will be the Affected Party) where such action does not constitute an event described in Section 5(a)(viii);

(iv) **Credit Event Upon Merger.** If “Credit Event Upon Merger” is specified in the Schedule as applying to the party, such party (“X”), any Credit Support Provider of X or any applicable Specified Entity of X consolidates or amalgamates with, or merges with or into, or transfers all or substantially all its assets to, another entity and such action does not constitute an event described in Section 5(a)(viii) but the creditworthiness of the resulting, surviving or transferee entity is materially weaker than that of X, such Credit Support Provider or such Specified Entity, as the case may be, immediately prior to such action (and, in such event, X or its successor or transferee, as appropriate, will be the Affected Party); or

(v) **Additional Termination Event.** If any “Additional Termination Event” is specified in the Schedule or any Confirmation as applying, the occurrence of such event (and, in such event, the Affected Party or Affected Parties shall be as specified for such Additional Termination Event in the Schedule or such Confirmation).

(c) **Event of Default and Illegality.** If an event or circumstance which would otherwise constitute or give rise to an Event of Default also constitutes an Illegality, it will be treated as an Illegality and will not constitute an Event of Default.

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6. Early Termination

(a) **Right to Terminate Following Event of Default.** If at any time an Event of Default with respect to a party (the “Defaulting Party”) has occurred and is then continuing, the other party (the “Non-defaulting Party”) may, by not more than 20 days notice to the Defaulting Party specifying the relevant Event of Default, designate a day not earlier than the day such notice is effective as an Early Termination Date in respect of all outstanding Transactions. If, however, “Automatic Early Termination” is specified in the Schedule as applying to a party, then an Early Termination Date in respect of all outstanding Transactions will occur immediately upon the occurrence with respect to such party of an Event of Default specified in Section 5(a)(vii)(1), (3), (5), (6) or, to the extent analogous thereto, (8), and as of the time immediately preceding the institution of the relevant proceeding or the presentation of the relevant petition upon the occurrence with respect to such party of an Event of Default specified in Section 5(a)(vii)(4) or, to the extent analogous thereto, (8).

(b) **Right to Terminate Following Termination Event.**

(i) **Notice.** If a Termination Event occurs, an Affected Party will, promptly upon becoming aware of it, notify the other party, specifying the nature of that Termination Event and each Affected Transaction and will also give such other information about that Termination Event as the other party may reasonably require.

(ii) **Transfer to Avoid Termination Event.** If either an Illegality under Section 5(b)(i)(1) or a Tax Event occurs and there is only one Affected Party, or if a Tax Event Upon Merger occurs and the Burdened Party is the Affected Party, the Affected Party will, as a condition to its right to designate an Early Termination Date under Section 6(b)(iv), use all reasonable efforts (which will not require such party to incur a loss, excluding immaterial, incidental expenses) to transfer within 20 days after it gives notice under Section 6(b)(i) all its rights and obligations under this Agreement in respect of the Affected Transactions to another of its Offices or Affiliates so that such Termination Event ceases to exist.

If the Affected Party is not able to make such a transfer it will give notice to the other party to that effect within such 20 day period, whereupon the other party may effect such a transfer within 30 days after the notice is given under Section 6(b)(i).

Any such transfer by a party under this Section 6(b)(ii) will be subject to and conditional upon the prior written consent of the other party, which consent will not be withheld if such other party’s policies in effect at such time would permit it to enter into transactions with the transferee on the terms proposed.

(iii) **Two Affected Parties.** If an Illegality under Section 5(b)(i)(1) or a Tax Event occurs and there are two Affected Parties, each party will use all reasonable efforts to reach agreement within 30 days after notice thereof is given under Section 6(b)(i) on action to avoid that Termination Event.

(iv) **Right to Terminate.** If:—

(1) a transfer under Section 6(b)(ii) or an agreement under Section 6(b)(iii), as the case may be, has not been effected with respect to all Affected Transactions within 30 days after an Affected Party gives notice under Section 6(b)(i); or

(2) an Illegality under Section 5(b)(i)(2), a Credit Event Upon Merger or an Additional Termination Event occurs, or a Tax Event Upon Merger occurs and the Burdened Party is not the Affected Party,

either party in the case of an Illegality, the Burdened Party in the case of a Tax Event Upon Merger, any Affected Party in the case of a Tax Event or an Additional Termination Event if there is more than one Affected Party, or the party which is not the Affected Party in the case of a Credit Event Upon Merger or an Additional Termination Event if there is only one Affected Party may, by not more than 20 days notice to the other party and provided that the relevant Termination Event is then

continuing, designate a day not earlier than the day such notice is effective as an Early Termination Date in respect of all Affected Transactions.

(c) **Effect of Designation.**

(i) If notice designating an Early Termination Date is given under Section 6(a) or (b), the Early Termination Date will occur on the date so designated, whether or not the relevant Event of Default or Termination Event is then continuing.

(ii) Upon the occurrence or effective designation of an Early Termination Date, no further payments or deliveries under Section 2(a)(i) or 2(e) in respect of the Terminated Transactions will be required to be made, but without prejudice to the other provisions of this Agreement. The amount, if any, payable in respect of an Early Termination Date shall be determined pursuant to Section 6(e).

(d) **Calculations.**

(i) **Statement.** On or as soon as reasonably practicable following the occurrence of an Early Termination Date, each party will make the calculations on its part, if any, contemplated by Section 6(e) and will provide to the other party a statement (1) showing, in reasonable detail, such calculations (including all relevant quotations and specifying any amount payable under Section 6(e)) and (2) giving details of the relevant account to which any amount payable to it is to be paid. In the absence of written confirmation from the source of a quotation obtained in determining a Market Quotation, the records of the party obtaining such quotation will be conclusive evidence of the existence and accuracy of such quotation.

(ii) **Payment Date.** An amount calculated as being due in respect of any Early Termination Date under Section 6(e) will be payable on the day that notice of the amount payable is effective (in the case of an Early Termination Date which is designated or occurs as a result of an Event of Default) and on the day which is two Local Business Days after the day on which notice of the amount payable is effective (in the case of an Early Termination Date which is designated as a result of a Termination Event). Such amount will be paid together with (to the extent permitted under applicable law) interest thereon (before as well as after judgment) in the Termination Currency, from (and including) the relevant Early Termination Date to (but excluding) the date such amount is paid, at the Applicable Rate. Such interest will be calculated on the basis of daily compounding and the actual number of days elapsed.

(e) **Payments on Early Termination.** If an Early Termination Date occurs, the following provisions shall apply based on the parties' election in the Schedule of a payment measure, either "Market Quotation" or "Loss", and a payment method, either the "First Method" or the "Second Method". If the parties fail to designate a payment measure or payment method in the Schedule, it will be deemed that "Market Quotation" or the "Second Method", as the case may be, shall apply. The amount, if any, payable in respect of an Early Termination Date and determined pursuant to this Section will be subject to any Set-off.

(i) **Events of Default.** If the Early Termination Date results from an Event of Default:—

(1) **First Method and Market Quotation.** If the First Method and Market Quotation apply, the Defaulting Party will pay to the Non-defaulting Party the excess, if a positive number, of (A) the sum of the Settlement Amount (determined by the Non-defaulting Party) in respect of the Terminated Transactions and the Termination Currency Equivalent of the Unpaid Amounts owing to the Non-defaulting Party over (B) the Termination Currency Equivalent of the Unpaid Amounts owing to the Defaulting Party.

(2) **First Method and Loss.** If the First Method and Loss apply, the Defaulting Party will pay to the Non-defaulting Party, if a positive number, the Non-defaulting Party's Loss in respect of this Agreement.

(3) **Second Method and Market Quotation.** If the Second Method and Market Quotation apply, an amount will be payable equal to (A) the sum of the Settlement Amount (determined by the

Non-defaulting Party) in respect of the Terminated Transactions and the Termination Currency Equivalent of the Unpaid Amounts owing to the Non-defaulting Party less (B) the Termination Currency Equivalent of the Unpaid Amounts owing to the Defaulting Party. If that amount is a positive number, the Defaulting Party will pay it to the Non-defaulting Party; if it is a negative number, the Non-defaulting Party will pay the absolute value of that amount to the Defaulting Party.

(4) *Second Method and Loss.* If the Second Method and Loss apply, an amount will be payable equal to the Non-defaulting Party's Loss in respect of this Agreement. If that amount is a positive number, the Defaulting Party will pay it to the Non-defaulting Party; if it is a negative number, the Non-defaulting Party will pay the absolute value of that amount to the Defaulting Party.

(ii) **Termination Events.** If the Early Termination Date results from a Termination Event:—

(1) *One Affected Party.* If there is one Affected Party, the amount payable will be determined in accordance with Section 6(e)(i)(3), if Market Quotation applies, or Section 6(e)(i)(4), if Loss applies, except that, in either case, references to the Defaulting Party and to the Non-defaulting Party will be deemed to be references to the Affected Party and the party which is not the Affected Party, respectively, and, if Loss applies and fewer than all the Transactions are being terminated, Loss shall be calculated in respect of all Terminated Transactions.

(2) *Two Affected Parties.* If there are two Affected Parties:—

(A) if Market Quotation applies, each party will determine a Settlement Amount in respect of the Terminated Transactions, and an amount will be payable equal to (I) the sum of (a) one-half of the difference between the Settlement Amount of the party with the higher Settlement Amount ("X") and the Settlement Amount of the party with the lower Settlement Amount ("Y") and (b) the Termination Currency Equivalent of the Unpaid Amounts owing to X less (II) the Termination Currency Equivalent of the Unpaid Amounts owing to Y; and

(B) if Loss applies, each party will determine its Loss in respect of this Agreement (or, if fewer than all the Transactions are being terminated, in respect of all Terminated Transactions) and an amount will be payable equal to one-half of the difference between the Loss of the party with the higher Loss ("X") and the Loss of the party with the lower Loss ("Y").

If the amount payable is a positive number, Y will pay it to X; if it is a negative number, X will pay the absolute value of that amount to Y.

(iii) **Adjustment for Bankruptcy.** In circumstances where an Early Termination Date occurs because "Automatic Early Termination" applies in respect of a party, the amount determined under this Section 6(e) will be subject to such adjustments as are appropriate and permitted by law to reflect any payments or deliveries made by one party to the other under this Agreement (and retained by such other party) during the period from the relevant Early Termination Date to the date for payment determined under Section 6(d)(ii).

(iv) **Pre-Estimate.** The parties agree that if Market Quotation applies an amount recoverable under this Section 6(e) is a reasonable pre-estimate of loss and not a penalty. Such amount is payable for the loss of bargain and the *loss of* protection against future risks and except as otherwise provided in this Agreement neither party will be entitled to recover any additional damages as a consequence of such losses.

7. Transfer

Subject to Section 6(b)(ii), neither this Agreement nor any interest or obligation in or under this Agreement may be transferred (whether by way of security or otherwise) by either party without the prior written consent of the other party, except that:—

- (a) a party may make such a transfer of this Agreement pursuant to a consolidation or amalgamation with, or merger with or into, or transfer of all or substantially all its assets to, another entity (but without prejudice to any other right or remedy under this Agreement); and
- (b) a party may make such a transfer of all or any part of its interest in any amount payable to it from a Defaulting Party under Section 6(e).

Any purported transfer that is not in compliance with this Section will be void.

8. Contractual Currency

(a) **Payment in the Contractual Currency.** Each payment under this Agreement will be made in the relevant currency specified in this Agreement for that payment (the “Contractual Currency”). To the extent permitted by applicable law, any obligation to make payments under this Agreement in the Contractual Currency will not be discharged or satisfied by any tender in any currency other than the Contractual Currency, except to the extent such tender results in the actual receipt by the party to which payment is owed, acting in a reasonable manner and in good faith in converting the currency so tendered into the Contractual Currency, of the full amount in the Contractual Currency of all amounts payable in respect of this Agreement. If for any reason the amount in the Contractual Currency so received falls short of the amount in the Contractual Currency payable in respect of this Agreement, the party required to make the payment will, to the extent permitted by applicable law, immediately pay such additional amount in the Contractual Currency as may be necessary to compensate for the shortfall. If for any reason the amount in the Contractual Currency so received exceeds the amount in the Contractual Currency payable in respect of this Agreement, the party receiving the payment will refund promptly the amount of such excess.

(b) **Judgments.** To the extent permitted by applicable law, if any judgment or order expressed in a currency other than the Contractual Currency is rendered (i) for the payment of any amount owing in respect of this Agreement, (ii) for the payment of any amount relating to any early termination in respect of this Agreement or (iii) in respect of a judgment or order of another court for the payment of any amount described in (i) or (ii) above, the party seeking recovery, after recovery in full of the aggregate amount to which such party is entitled pursuant to the judgment or order, will be entitled to receive immediately from the other party the amount of any shortfall of the Contractual Currency received by such party as a consequence of sums paid in such other currency and will refund promptly to the other party any excess of the Contractual Currency received by such party as a consequence of sums paid in such other currency if such shortfall or such excess arises or results from any variation between the rate of exchange at which the Contractual Currency is converted into the currency of the judgment or order for the purposes of such judgment or order and the rate of exchange at which such party is able, acting in a reasonable manner and in good faith in converting the currency received into the Contractual Currency, to purchase the Contractual Currency with the amount of the currency of the judgment or order actually received by such party. The term “rate of exchange” includes, without limitation, any premiums and costs of exchange payable in connection with the purchase of or conversion into the Contractual Currency.

(c) **Separate Indemnities.** To the extent permitted by applicable law, these indemnities constitute separate and independent obligations from the other obligations in this Agreement, will be enforceable as separate and independent causes of action, will apply notwithstanding any indulgence granted by the party to which any payment is owed and will not be affected by judgment being obtained or claim or proof being made for any other sums payable in respect of this Agreement.

(d) **Evidence of Loss.** For the purpose of this Section 8, it will be sufficient for a party to demonstrate that it would have suffered a loss had an actual exchange or purchase been made.

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9. Miscellaneous

- (a) **Entire Agreement.** This Agreement constitutes the entire agreement and understanding of the parties with respect to its subject matter and supersedes all oral communication and prior writings with respect thereto.
- (b) **Amendments.** No amendment, modification or waiver in respect of this Agreement will be effective unless in writing (including a writing evidenced by a facsimile transmission) and executed by each of the parties or confirmed by an exchange of telexes or electronic messages on an electronic messaging system.
- (c) **Survival of Obligations.** Without prejudice to Sections 2(a)(iii) and 6(c)(ii), the obligations of the parties under this Agreement will survive the termination of any Transaction.
- (d) **Remedies Cumulative.** Except as provided in this Agreement, the rights, powers, remedies and privileges provided in this Agreement are cumulative and not exclusive of any rights, powers, remedies and privileges provided by law.
- (e) **Counterparts and Confirmations.**
- (i) This Agreement (and each amendment, modification and waiver in respect of it) may be executed and delivered in counterparts (including by facsimile transmission), each of which will be deemed an original.
- (ii) The parties intend that they are legally bound by the terms of each Transaction from the moment they agree to those terms (whether orally or otherwise). A Confirmation shall be entered into as soon as practicable and may be executed and delivered in counterparts (including by facsimile transmission) or be created by an exchange of telexes or by an exchange of electronic messages on an electronic messaging system, which in each case will be sufficient for all purposes to evidence a binding supplement to this Agreement. The parties will specify therein or through another effective means that any such counterpart, telex or electronic message constitutes a Confirmation.
- (f) **No Waiver of Rights.** A failure or delay in exercising any right, power or privilege in respect of this Agreement will not be presumed to operate as a waiver, and a single or partial exercise of any right, power or privilege will not be presumed to preclude any subsequent or further exercise, of that right, power or privilege or the exercise of any other right, power or privilege.
- (g) **Headings.** The headings used in this Agreement are for convenience of reference only and are not to affect the construction of or to be taken into consideration in interpreting this Agreement.

10. Offices; Multibranch Parties

- (a) If Section 10(a) is specified in the Schedule as applying, each party that enters into a Transaction through an Office other than its head or home office represents to the other party that, notwithstanding the place of booking office or jurisdiction of incorporation or organisation of such party, the obligations of such party are the same as if it had entered into the Transaction through its head or home office. This representation will be deemed to be repeated by such party on each date on which a Transaction is entered into.
- (b) Neither party may change the Office through which it makes and receives payments or deliveries for the purpose of a Transaction without the prior written consent of the other party.
- (c) If a party is specified as a Multibranch Party in the Schedule, such Multibranch Party may make and receive payments or deliveries under any Transaction through any Office listed in the Schedule, and the Office through which it makes and receives payments or deliveries with respect to a Transaction will be specified in the relevant Confirmation.

11. Expenses

A Defaulting Party will, on demand, indemnify and hold harmless the other party for and against all reasonable out-of-pocket expenses, including legal fees and Stamp Tax, incurred by such other party by reason of the enforcement and protection of its rights under this Agreement or any Credit Support Document

to which the Defaulting Party is a party or by reason of the early termination of any Transaction, including, but not limited to, costs of collection.

12. Notices

(a) **Effectiveness.** Any notice or other communication in respect of this Agreement may be given in any manner set forth below (except that a notice or other communication under Section 5 or 6 may not be given by facsimile transmission or electronic messaging system) to the address or number or in accordance with the electronic messaging system details provided (see the Schedule) and will be deemed effective as indicated:—

- (i) if in writing and delivered in person or by courier, on the date it is delivered;
- (ii) if sent by telex, on the date the recipient's answerback is received;
- (iii) if sent by facsimile transmission, on the date that transmission is received by a responsible employee of the recipient in legible form (it being agreed that the burden of proving receipt will be on the sender and will not be met by a transmission report generated by the sender's facsimile machine);
- (iv) if sent by certified or registered mail (airmail, if overseas) or the equivalent (return receipt requested), on the date that mail is delivered or its delivery is attempted; or
- (v) if sent by electronic messaging system, on the date that electronic message is received,

unless the date of that delivery (or attempted delivery) or that receipt, as applicable, is not a Local Business Day or that communication is delivered (or attempted) or received, as applicable, after the close of business on a Local Business Day, in which case that communication shall be deemed given and effective on the first following day that is a Local Business Day.

(b) **Change of Addresses.** Either party may by notice to the other change the address, telex or facsimile number or electronic messaging system details at which notices or other communications are to be given to it.

13. Governing Law and Jurisdiction

(a) **Governing Law.** This Agreement will be governed by and construed in accordance with the law specified in the Schedule.

(b) **Jurisdiction.** With respect to any suit, action or proceedings relating to this Agreement ("Proceedings"), each party irrevocably:—

- (i) submits to the jurisdiction of the English courts, if this Agreement is expressed to be governed by English law, or to the non-exclusive jurisdiction of the courts of the State of New York and the United States District Court located in the Borough of Manhattan in New York City, if this Agreement is expressed to be governed by the laws of the State of New York; and
- (ii) waives any objection which it may have at any time to the laying of venue of any Proceedings brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have any jurisdiction over such party.

Nothing in this Agreement precludes either party from bringing Proceedings in any other jurisdiction (outside, if this Agreement is expressed to be governed by English law, the Contracting States, as defined in Section 1(3) of the Civil Jurisdiction and Judgments Act 1982 or any modification, extension or re-enactment thereof for the time being in force) nor will the bringing of Proceedings in any one or more jurisdictions preclude the bringing of Proceedings in any other jurisdiction.

(c) **Service of Process.** Each party irrevocably appoints the Process Agent (if any) specified opposite its name in the Schedule to receive, for it and on its behalf, service of process in any Proceedings. If for any

reason any party's Process Agent is unable to act as such, such party will promptly notify the other party and within 30 days appoint a substitute process agent acceptable to the other party. The parties irrevocably consent to service of process given in the manner provided for notices in Section 12. Nothing in this Agreement will affect the right of either party to serve process in any other manner permitted by law.

(d) **Waiver of Immunities.** Each party irrevocably waives, to the fullest extent permitted by applicable law, with respect to itself and its revenues and assets (irrespective of their use or intended use), all immunity on the grounds of sovereignty or other similar grounds from (i) suit, (ii) jurisdiction of any court, (iii) relief by way of injunction, order for specific performance or for recovery of property, (iv) attachment of its assets (whether before or after judgment) and (v) execution or enforcement of any judgment to which it or its revenues or assets might otherwise be entitled in any Proceedings in the courts of any jurisdiction and irrevocably agrees, to the extent permitted by applicable law, that it will not claim any such immunity in any Proceedings.

14. Definitions

As used in this Agreement:—

“Additional Termination Event” has the meaning specified in Section 5(b).

“Affected Party” has the meaning specified in Section 5(b).

“Affected Transactions” means (a) with respect to any Termination Event consisting of an Illegality, Tax Event or Tax Event Upon Merger, all Transactions affected by the occurrence of such Termination Event and (b) with respect to any other Termination Event, all Transactions.

“Affiliate” means, subject to the Schedule, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, “control” of any entity or person means ownership of a majority of the voting power of the entity or person.

“Applicable Rate” means:—

(a) in respect of obligations payable or deliverable (or which would have been but for Section 2(a)(iii)) by a Defaulting Party, the Default Rate;

(b) in respect of an obligation to pay an amount under Section 6(e) of either party from and after the date (determined in accordance with Section 6(d)(ii)) on which that amount is payable, the Default Rate;

(c) in respect of all other obligations payable or deliverable (or which would have been but for Section 2(a)(iii)) by a Non-defaulting Party, the Non-default Rate; and

(d) in all other cases, the Termination Rate.

“Burdened Party” has the meaning specified in Section 5(b).

“Change in Tax Law” means the enactment, promulgation, execution or ratification of, or any change in or amendment to, any law (or in the application or official interpretation of any law) that occurs on or after the date on which the relevant Transaction is entered into.

“consent” includes a consent, approval, action, authorisation, exemption, notice, filing, registration or exchange control consent.

“Credit Event Upon Merger” has the meaning specified in Section 5(b).

“Credit Support Document” means any agreement or instrument that is specified as such in this Agreement.

“Credit Support Provider” has the meaning specified in the Schedule.

“Default Rate” means a rate per annum equal to the cost (without proof or evidence of any actual cost) to the relevant payee (as certified by it) if it were to fund or of funding the relevant amount plus 1% per annum.

“Defaulting Party” has the meaning specified in Section 6(a).

“Early Termination Date” means the date determined in accordance with Section 6(a) or 6(b)(iv).

“Event of Default” has the meaning specified in Section 5(a) and, if applicable, in the Schedule.

“Illegality” has the meaning specified in Section 5(b).

“Indemnifiable Tax” means any Tax other than a Tax that would not be imposed in respect of a payment under this Agreement but for a present or former connection between the jurisdiction of the government or taxation authority imposing such Tax and the recipient of such payment or a person related to such recipient (including, without limitation, a connection arising from such recipient or related person being or having been a citizen or resident of such jurisdiction, or being or having been organised, present or engaged in a trade or business in such jurisdiction, or having or having had a permanent establishment or fixed place of business in such jurisdiction, but excluding a connection arising solely from such recipient or related person having executed, delivered, performed its obligations or received a payment under, or enforced, this Agreement or a Credit Support Document).

“law” includes any treaty, law, rule or regulation (as modified, in the case of tax matters, by the practice of any relevant governmental revenue authority) and **“lawful”** and **“unlawful”** will be construed accordingly.

“Local Business Day” means, subject to the Schedule, a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) (a) in relation to any obligation under Section 2(a)(i), in the place(s) specified in the relevant Confirmation or, if not so specified, as otherwise agreed by the parties in writing or determined pursuant to provisions contained, or incorporated by reference, in this Agreement, (b) in relation to any other payment, in the place where the relevant account is located and, if different, in the principal financial centre, if any, of the currency of such payment, (c) in relation to any notice or other communication, including notice contemplated under Section 5(a)(i), in the city specified in the address for notice provided by the recipient and, in the case of a notice contemplated by Section 2(b), in the place where the relevant new account is to be located and (d) in relation to Section 5(a)(v)(2), in the relevant locations for performance with respect to such Specified Transaction.

“Loss” means, with respect to this Agreement or one or more Terminated Transactions, as the case may be, and a party, the Termination Currency Equivalent of an amount that party reasonably determines in good faith to be its total losses and costs (or gain, in which case expressed as a negative number) in connection with this Agreement or that Terminated Transaction or group of Terminated Transactions, as the case may be, including any loss of bargain, cost of funding or, at the election of such party but without duplication, loss or cost incurred as a result of its terminating, liquidating, obtaining or reestablishing any hedge or related trading position (or any gain resulting from any of them). Loss includes losses and costs (or gains) in respect of any payment or delivery required to have been made (assuming satisfaction of each applicable condition precedent) on or before the relevant Early Termination Date and not made, except, so as to avoid duplication, if Section 6(e)(i)(1) or (3) or 6(e)(ii)(2)(A) applies. Loss does not include a party’s legal fees and out-of-pocket expenses referred to under Section 11. A party will determine its Loss as of the relevant Early Termination Date, or, if that is not reasonably practicable, as of the earliest date thereafter as is reasonably practicable. A party may (but need not) determine its Loss by reference to quotations of relevant rates or prices from one or more leading dealers in the relevant markets.

“Market Quotation” means, with respect to one or more Terminated Transactions and a party making the determination, an amount determined on the basis of quotations from Reference Market-makers. Each quotation will be for an amount, if any, that would be paid to such party (expressed as a negative number) or by such party (expressed as a positive number) in consideration of an agreement between such party (taking into account any existing Credit Support Document with respect to the obligations of such party) and the quoting Reference Market-maker to enter into a transaction (the “Replacement Transaction”) that would have the effect of preserving for such party the economic equivalent of any payment or delivery (whether the underlying obligation was absolute or contingent and assuming the satisfaction of each applicable condition precedent) by the parties under Section 2(a)(i) in respect of such Terminated Transaction or group of Terminated Transactions that would, but for the occurrence of the relevant Early Termination Date, have been required after that date. For this purpose, Unpaid Amounts in respect of the Terminated Transaction or group of Terminated Transactions are to be *excluded* but, without limitation, any payment or delivery that would, but for the relevant Early Termination Date, have

been required (assuming satisfaction of each applicable condition precedent) after that Early Termination Date is to be included. The Replacement Transaction would be subject to such documentation as such party and the Reference Market-maker may, in good faith, agree. The party making the determination (or its agent) will request each Reference Market-maker to provide its quotation to the extent reasonably practicable as of the same day and time (without regard to different time zones) on or as soon as reasonably practicable after the relevant Early Termination Date. The day and time as of which those quotations are to be obtained will be selected in good faith by the party obliged to make a determination under Section 6(e), and, if each party is so obliged, after consultation with the other. If more than three quotations are provided, the Market Quotation will be the arithmetic mean of the quotations, without regard to the quotations having the highest and lowest values. If exactly three such quotations are provided, the Market Quotation will be the quotation remaining after disregarding the highest and lowest quotations. For this purpose, if more than one quotation has the same highest value or lowest value, then one of such quotations shall be disregarded. If fewer than three quotations are provided, it will be deemed that the Market Quotation in respect of such Terminated Transaction or group of Terminated Transactions cannot be determined.

“Non-default Rate” means a rate per annum equal to the cost (without proof or evidence of any actual cost) to the Non-defaulting Party (as certified by it) if it were to fund the relevant amount.

“Non-defaulting Party” has the meaning specified in Section 6(a).

“Office” means a branch or office of a party, which may be such party’s head or home office.

“Potential Event of Default” means any event which, with the giving of notice or the lapse of time or both, would constitute an Event of Default.

“Reference Market-makers” means four leading dealers in the relevant market selected by the party determining a Market Quotation in good faith (a) from among dealers of the highest credit standing which satisfy all the criteria that such party applies generally at the time in deciding whether to offer or to make an extension of credit and (b) to the extent practicable, from among such dealers having an office in the same city.

“Relevant Jurisdiction” means, with respect to a party, the jurisdictions (a) in which the party is incorporated, organised, managed and controlled or considered to have its seat, (b) where an Office through which the party is acting for purposes of this Agreement is located, (c) in which the party executes this Agreement and (d) in relation to any payment, from or through which such payment is made.

“Scheduled Payment Date” means a date on which a payment or delivery is to be made under Section 2(a)(i) with respect to a Transaction.

“Set-off” means set-off, offset, combination of accounts, right of retention or withholding or similar right or requirement to which the payer of an amount under Section 6 is entitled or subject (whether arising under this Agreement, another contract, applicable law or otherwise) that is exercised by, or imposed on, such payer.

“Settlement Amount” means, with respect to a party and any Early Termination Date, the sum of:—

(a) the Termination Currency Equivalent of the Market Quotations (whether positive or negative) for each Terminated Transaction or group of Terminated Transactions for which a Market Quotation is determined; and

(b) such party’s Loss (whether positive or negative and without reference to any Unpaid Amounts) for each Terminated Transaction or group of Terminated Transactions for which a Market Quotation cannot be determined or would not (in the reasonable belief of the party making the determination) produce a commercially reasonable result.

“Specified Entity” has the meanings specified in the Schedule.

“Specified Indebtedness” means, subject to the Schedule, any obligation (whether present or future, contingent or otherwise, as principal or surety or otherwise) in respect of borrowed money.

“Specified Transaction” means, subject to the Schedule, (a) any transaction (including an agreement with respect thereto) now existing or hereafter entered into between one party to this Agreement (or any Credit Support Provider of such party or any applicable Specified Entity of such party) and the other party to this Agreement (or any Credit Support Provider of such other party or any applicable Specified Entity of such other party) which is a rate swap transaction, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of these transactions), (b) any combination of these transactions and (c) any other transaction identified as a Specified Transaction in this Agreement or the relevant confirmation.

“Stamp Tax” means any stamp, registration, documentation or similar tax.

“Tax” means any present or future tax, levy, impost, duty, charge, assessment or fee of any nature (including interest, penalties and additions thereto) that is imposed by any government or other taxing authority in respect of any payment under this Agreement other than a stamp, registration, documentation or similar tax.

“Tax Event” has the meaning specified in Section 5(b).

“Tax Event Upon Merger” has the meaning specified in Section 5(b).

“Terminated Transactions” means with respect to any Early Termination Date (a) if resulting from a Termination Event, all Affected Transactions and (b) if resulting from an Event of Default, all Transactions (in either case) in effect immediately before the effectiveness of the notice designating that Early Termination Date (or, if “Automatic Early Termination” applies, immediately before that Early Termination Date).

“Termination Currency” has the meaning specified in the Schedule.

“Termination Currency Equivalent” means, in respect of any amount denominated in the Termination Currency, such Termination Currency amount and, in respect of any amount denominated in a currency other than the Termination Currency (the “Other Currency”), the amount in the Termination Currency determined by the party making the relevant determination as being required to purchase such amount of such Other Currency as at the relevant Early Termination Date, or, if the relevant Market Quotation or Loss (as the case may be), is determined as of a later date, that later date, with the Termination Currency at the rate equal to the spot exchange rate of the foreign exchange agent (selected as provided below) for the purchase of such Other Currency with the Termination Currency at or about 11:00 a.m. (in the city in which such foreign exchange agent is located) on such date as would be customary for the determination of such a rate for the purchase of such Other Currency for value on the relevant Early Termination Date or that later date. The foreign exchange agent will, if only one party is obliged to make a determination under Section 6(e), be selected in good faith by that party and otherwise will be agreed by the parties.

“Termination Event” means an Illegality, a Tax Event or a Tax Event Upon Merger or, if specified to be applicable, a Credit Event Upon Merger or an Additional Termination Event.

“Termination Rate” means a rate per annum equal to the arithmetic mean of the cost (without proof or evidence of any actual cost) to each party (as certified by such party) if it were to fund or of funding such amounts.

“Unpaid Amounts” owing to any party means, with respect to an Early Termination Date, the aggregate of (a) in respect of all Terminated Transactions, the amounts that became payable (or that would have become payable but for Section 2(a)(iii)) to such party under Section 2(a)(i) on or prior to such Early Termination Date and which remain unpaid as at such Early Termination Date and (b) in respect of each Terminated Transaction, for each obligation under Section 2(a)(i) which was (or would have been but for Section 2(a)(iii)) required to be settled by delivery to such party on or prior to such Early Termination Date and which has not been so settled as at such Early Termination Date, an amount equal to the fair market

value of that which was (or would have been) required to be delivered as of the originally scheduled date for delivery, in each case together with (to the extent permitted under applicable law) interest, in the currency of such amounts, from (and including) the date such amounts or obligations were or would have been required to have been paid or performed to (but excluding) such Early Termination Date, at the Applicable Rate. Such amounts of interest will be calculated on the basis of daily compounding and the actual number of days elapsed. The fair market value of any obligation referred to in clause (b) above shall be reasonably determined by the party obliged to make the determination under Section 6(e) or, if each party is so obliged, it shall be the average of the Termination Currency Equivalents of the fair market values reasonably determined by both parties.

IN WITNESS WHEREOF the parties have executed this document on the respective dates specified below with effect from the date specified on the first page of this document.

MORGAN STANLEY CAPITAL SERVICES INC.

By: _____
Name:
Title:

WILMINGTON TRUST COMPANY

in its capacity as Subordination Agent on behalf of the Trustee under the
Continental Airlines Pass Through Trust 2006-1G

By: _____

Name:

Title:

ISDA[®]

International Swaps and Derivatives Association, Inc.

SCHEDULE
to the
Master Agreement

dated as of June 9, 2006

between

Morgan Stanley Capital Services Inc.,
a corporation organized under the laws of the State of Delaware

and

Wilmington Trust Company,
a Delaware banking corporation, in its capacity as Subordination
Agent on behalf of the Trustee under the Continental Airlines Pass
Through Trust 2006-1G

(“Party A”)

(“Party B”)

Part 1
Termination Provisions

- (a) **Specified Entity.** None.
 - (b) **Specified Transaction.** Specified Transaction will have the meaning specified in Section 14.
 - (c) **Events of Default.** The “Events of Default” set forth in Section 5(a) will not apply to Party B but will apply to Party A (subject to clause (d) below).
 - (d) **Cross Default.** The “Cross Default” provision of Section 5(a)(vi) will not apply.
 - (e) **Termination Events.** The “Illegality” provisions of Section 5(b)(i), the “Tax Event” provisions of Section 5(b)(ii), the “Tax Event Upon Merger” provisions of Section 5(b)(iii) and the “Credit Event Upon Merger” provisions of Section 5(b)(iv) will apply to Party A but will not apply to Party B. Party A shall be the sole Affected Party (under Section 5(b)(i), (ii) and 5(b)(iv)) and the sole Burdened Party (under Section 5(b)(iii)) with respect to a Termination Event.
 - (f) **Credit Event Upon Merger.** The “Credit Event Upon Merger” provisions in Section 5(b)(iv) are hereby amended by: (I) deleting in the fourth line thereof the words “another entity” and replacing them with the words “or reorganizes, incorporates, reincorporates, reconstitutes, or reforms into or as, or receives all or substantially all of the assets and/or liabilities or obligations of, another entity or X, such Credit Support Provider, or such Specified Entity, as the case may be,”; (II) deleting in the fifth line thereof the words “the resulting, surviving or transferee” and replacing them with the words “X, such Credit Support Provider, or such Specified Entity, as the case may be, or any resulting, surviving, transferee, reorganized, reconstituted or reformed”; and
-

(III) deleting in the seventh line thereof the words “its successor or transferee” and replacing them with the words “any resulting, surviving, transferee, reorganized, reconstituted or reformed entity”.

(g) **Automatic Early Termination.** The “Automatic Early Termination” provision of Section 6(a) will not apply.

(h) **Right to Terminate Following Termination Event.** Sections 6(b)(ii)-(iv) are deleted in their entirety and replaced by the following:

“(ii) **Replacement on Termination Event.** Upon the occurrence of a Termination Event with respect to Party A, Party A shall have the right within 20 days of the date of such Termination Event, at its own expense, to arrange for one or more Replacement Above-Cap Liquidity Providers to enter into and deliver to Party B a Replacement Above-Cap Liquidity Facility for such Above-Cap Liquidity Facility. If Party A does not arrange for such replacement and if the Above-Cap Liquidity Facility has not otherwise been replaced by Continental Airlines, Inc. (at the expense of Continental Airlines, Inc.) in accordance with the terms of Section 3.5(c)(iv) of the Intercreditor Agreement, such 20th day (or if such 20th day is not a Business Day, the next succeeding Business Day) shall be designated an “Early Termination Date” and Party A shall make a termination payment to Party B in accordance with Part 1(j) of this Schedule. For the avoidance of doubt, Party B shall have no right to designate an Early Termination Date following the occurrence of any Termination Event.”

(i) **Calculations.** The “Payment Date” provisions in Section 6(d)(ii) are deleted in their entirety and replaced by the following:

“The Termination Amount calculated as being due in respect of any Early Termination Date under Section 6(e) will be payable on such Early Termination Date.”

(j) **Payments on Early Termination.** Section 6(e) is deleted in its entirety and replaced with the following:

“Upon the designation or deemed designation of an Early Termination Date, including pursuant to clause 4(i) or (ii) of the Confirmation, with respect to the Transaction evidenced by the Confirmation, Party A shall make a termination payment to Party B on the Early Termination Date in an amount equal to the “Termination Amount” for the Early Termination Date for credit to the Above-Cap Collateral Account (as provided in Section 3.5(f) of the Intercreditor Agreement) to be applied as set forth in such Section 3.5(f) plus all Unpaid Amounts due and payable by Party A under the Confirmation on or prior to the Early Termination Date and upon such payments the Transaction evidenced by the Confirmation shall terminate.”

“Termination Amount” means, for any Early Termination Date, the amount obtained by solving the following formula for TA:

$$TA = (20\% \text{ per annum} - CR) \times N \times F$$

where

CR = the Cap Rate designated in the Confirmation

N = the Notional Amount for such date

F = 0.256

- (k) **Termination Currency.** "Termination Currency" means United States Dollars.
- (l) **Additional Termination Event.** Additional Termination Event will not apply.
- (m) **Limitations on Conditions Precedent.** Notwithstanding Section 2(a), the obligation of Party A to make each payment specified in the Confirmation shall not be subject to any conditions precedent other than as specified in such Confirmation, and, without limiting the foregoing, Party A agrees that it will make each such payment without offset, counterclaim or defense.

Part 2 Tax Representations

- (a) **Payer Tax Representations.** For the purpose of Section 3(e), Party A and Party B each make the following representation:

It is not required by any applicable law, as modified by the practice of any relevant governmental revenue authority, of any Relevant Jurisdiction to make any deduction or withholding for or on account of any Tax from any payment (other than interest under Section 2(e) or 6(e)) to be made by it to the other party under this Agreement. In making this representation, it may rely on:

- (i) the accuracy of any representation made by the other party pursuant to Section 3(f);
- (ii) the satisfaction of the agreement of the other party contained in Section 4(a)(i) or 4(a)(iii) and the accuracy and effectiveness of any document provided by the other party pursuant to Section 4(a)(i) or 4(a)(iii); and
- (iii) the satisfaction of the agreement of the other party contained in Section 4(d);

provided that it shall not be a breach of this representation where reliance is placed on clause (ii), and the other party does not deliver a form or document under Section 4(a)(iii) by reason of material prejudice to its legal or commercial position.

- (b) **Payee Tax Representations.** For the purpose of Section 3(f),

- (i) Party A represents that it is a corporation organized under the laws of the State of Delaware.
- (ii) Party B represents that it is a Delaware banking corporation.

Part 3 Agreement to Deliver Documents

For the purpose of Section 4(a)(ii) of this Agreement, each party agrees to deliver the following documents, as applicable:

Party required to deliver documents	Form/Document/ Certificate	Date by which to be delivered	Covered by Section 3(d) Representation
Party A and Party B	Evidence reasonably satisfactory to the other party as to the names, true signatures and authority of the officer or officials signing this Agreement or the Confirmation on its behalf	Upon execution of this Agreement and the related Confirmation	Yes
Party A	Opinions of counsel to Party A and its Credit Support Provider reasonably satisfactory in form and substance to Party B with respect to this Agreement and the Credit Support Document specified in Part 4(e)	Upon execution of this Agreement	No
Party B	Certified copies of all documents evidencing the necessary corporate authorizations and approvals with respect to the execution, delivery, and performance of derivatives transactions	Upon execution of this Agreement	Yes
Party A	Correct, complete and executed U.S. Internal Revenue Form W-9 or any successor thereto	Upon execution of this Agreement, upon the appointment of a successor Subordination Agent, and at any time upon reasonable request by Party B	Not applicable
Party B	Correct, complete and executed U.S. Internal Revenue Form W-9 or any successor thereto	Upon execution of this Agreement, upon the appointment of a successor Subordination Agent, and at any time upon reasonable request by Party A	Not applicable
Party A	Credit Support Document specified in Part 4(e)	Upon execution of this Agreement	Yes

**Part 4
Miscellaneous**

(a) Addresses for Notices. For the purpose of Section 12(a):

- (i) Address for notices or communications to Party A (including all notices pursuant to

Sections 5, 6 and 7 as well as any changes to Party B's address, telephone number or facsimile number):

Address: Morgan Stanley Capital Services Inc.
Transaction Management Group
1585 Broadway
New York, NY 10036-8293
Attention: Chief Legal Officer
Facsimile: 212-507-4622

(ii) Address for notices or communications to Party B:

Address: Wilmington Trust Company
Rodney Square North
1100 North Market Street
Wilmington, Delaware 19890-0001
Attention: Corporate Trust Administration
Telephone: 302-651-1000
Facsimile: 302-636-4140

(b) **Offices.** The provisions of Section 10(a) will apply to this Agreement.

(c) **Multibranch Party.** For the purpose of Section 10(c):

Party A is not a Multibranch Party.

Party B is not a Multibranch Party.

(d) **Calculation Agent.** The Calculation Agent is Party A, provided that if Party B disagrees with respect to any calculation or determination, Party A and Party B each will appoint an independent Reference Market-maker, and such two Reference Market-makers jointly will appoint a third Reference Market-maker. Such three Reference Market-makers jointly will make such calculation or determination (acting as experts and not as arbitrators), whose calculation or determination will be binding and conclusive absent manifest error. In addition, if an Event of Default with respect to Party A has occurred and is continuing, Party B may appoint one of the following five entities as Calculation Agent: JP Morgan Chase, UBS AG, Bank of America, N.A., Deutsche Bank AG or Citibank, N.A.

(e) **Credit Support Documents.** Party A shall deliver an unconditional and irrevocable guarantee dated as of June 9, 2006 from Morgan Stanley with respect to Party A's obligations under this Transaction for the benefit of Party B and such guarantee shall be a Credit Support Document with respect to Party A.

With respect to Party B: None.

(f) **Credit Support Provider.**

Credit Support Provider means in relation to Party A: Morgan Stanley.

Credit Support Provider means in relation to Party B: None.

(g) **Governing Law.** This Agreement and the Confirmation will be governed by and construed in

accordance with the laws of the State of New York.

- (h) Jurisdiction.** Section 13(b) is hereby amended by: (i) deleting in the second line of subparagraph (i) thereof the word “non-”; and (ii) deleting the final paragraph thereof.
- (i) Netting of Payments.** The Netting provision set forth in Section 2(c) will not apply to any Transaction.
- (j) Affiliate.** Affiliate will have the meaning specified in Section 14, *provided* that the definition of Affiliate in relation to Party A does not include Morgan Stanley Derivative Products, Inc.
- (k) Covered Transaction.** The Transaction evidenced by the Confirmation dated the date of this Agreement (Reference Number: SQB38) will constitute the only Transaction and Confirmation supplementing, forming part of, and subject to, this Agreement.

Part 5 Other Provisions

- (a) Definitions.** This Agreement and the Transaction between the parties are subject to the 2000 ISDA Definitions and Annex to the 2000 ISDA Definitions (June 2000 Version) as published by the International Swaps and Derivatives Association, Inc. (collectively, the “Definitions”), and will be governed in all relevant respects by the provisions set forth in the Definitions, without regard to any amendment to the Definitions subsequent to the date hereof. The provisions of the Definitions are incorporated by reference in and shall be deemed a part of this Agreement, except that references in the Definitions to a “Swap Transaction” shall be deemed references to a “Transaction” for purposes of this Agreement. In the event of any inconsistency between the provisions of this Agreement and the Definitions, this Agreement will prevail. “Intercreditor Agreement” as used in this Agreement shall mean the Intercreditor Agreement dated as of June 9, 2006 among Wilmington Trust Company, as Trustee under the Continental Airlines Pass Through Trust 2006-1G and Continental Airlines Pass Through Trust 2006-1B, Morgan Stanley Bank, as Primary Liquidity Provider, Morgan Stanley Capital Services Inc., as Above-Cap Liquidity Provider, Financial Guaranty Insurance Company, as Policy Provider, and Wilmington Trust Company, as Subordination Agent, attached hereto as Exhibit A. Capitalized terms used and not defined herein, in the Confirmation, or in the Definitions shall have the meanings set forth in the Intercreditor Agreement, as amended or modified from time to time in accordance with the terms thereof.
- (b) Relationship Between Parties.** Each party will be deemed to represent to the other party on the date on which it enters into the Transaction that (absent a written agreement between the parties that expressly imposes affirmative obligations to the contrary for that Transaction):
 - (i) **Non-Reliance.** It is acting for its own account, and it has made its own independent decisions to enter into the Transaction and as to whether the Transaction is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the other party as investment advice or as a recommendation to enter into the Transaction; it being understood that information and explanations related to the terms and conditions of the Transaction shall not be considered investment advice or a recommendation to enter into the Transaction. No communication (written or oral) received from the other party shall be deemed to be an assurance or guarantee as to the expected results of the Transaction.

- (ii) **Assessment and Understanding.** It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of the Transaction. It is also capable of assuming, and assumes, the risks of the Transaction.
- (iii) **Status of Parties.** The other party is not acting as a fiduciary for or an adviser to it in respect of the Transaction.
- (c) **WAIVER OF JURY TRIAL.** EACH PARTY HEREBY WAIVES ITS RESPECTIVE RIGHT TO JURY TRIAL WITH RESPECT TO ANY LITIGATION ARISING UNDER, OR IN CONNECTION WITH, THIS AGREEMENT OR THE TRANSACTION.
- (d) **Non-petition.** Party A agrees that it will not, prior to the date that is one year and one day following the final payment of the Certificates, acquiesce, petition or otherwise invoke or cause, or join in invoking or causing, Party B or any other person or entity to invoke the process of any governmental authority for the purpose of commencing or sustaining a case (whether voluntary or involuntary) against Party B under any bankruptcy, insolvency or similar law or appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official of Party B or any substantial part of its property or ordering the winding-up or liquidation of the affairs of Party B, *provided, however*, that nothing herein shall restrict or prohibit Party A from joining in any existing bankruptcy, reorganization, arrangement, insolvency, moratorium or liquidation proceedings or other analogous proceedings under applicable laws.
- (e) **Waiver of Right of Set-off.** Notwithstanding any provision of this Agreement, the Confirmation or any other existing or future agreement between the parties hereto, each party irrevocably waives any and all rights it may have to set-off, net, recoup or otherwise withhold or suspend or condition payment or performance of any obligation between the two parties hereunder against any obligations between the two parties, whether arising under any agreement, applicable law or otherwise.
- (f) **Amendments.** This Agreement is hereby further amended as follows:
- (1) Section 2(b) is hereby amended by the insertion of the following at the end thereof after the word “change”: “provided that if such new account shall not be in the same jurisdiction having the same power to tax as the original account, the party not changing its account shall not be obliged to pay any greater amounts and shall not receive less as a result of such change than would have been the case if such change had not taken place”.
 - (2) Section 2(d) is amended by adding thereto a new final sentence reading as follows: “Anything in this Section 2(d) to the contrary notwithstanding, Party B shall not be obligated to make any payment under this Section 2(d) to Party A.”
 - (3) Section 7 is amended by adding a new penultimate sentence to Section 7 as follows: “Any purported transfer under this Section 7 shall require Ratings Confirmation, including, for the avoidance of doubt, any transfer pursuant to Section 6(b)(ii)”.
 - (4) Section 9(b) is amended by adding thereto a new sentence reading as follows: “In addition, no amendment, modification or waiver in respect of this Agreement will be effective unless Ratings Confirmation is received”.
- (g) **Limitation of Liability.** The obligations of Party B under this Agreement, and in respect of the

Transaction evidenced by the Confirmation, are expressly limited to the extent of funds, if any, made available for such payment to Party B under, and in accordance with, the priorities of payments set forth in Sections 3.2 and 3.5 of the Intercreditor Agreement. No recourse under any obligation, covenant or agreement of Party B contained in this Agreement or the Confirmation shall be had against any incorporator, stockholder, agent, affiliate, officer, employee or trustee of Party B, as such, by the enforcement of any assessment or by any legal or equitable proceeding, by virtue of any statute or otherwise; it being expressly agreed and understood that the agreements of Party B contained in this Agreement or the Confirmation are solely trust obligations of Party B and that no personal liability whatsoever shall attach to or be incurred by the incorporators, stockholders, agents, affiliates, officers, employees or trustees of Party B, as such, or any of them, under or by reason of any of the obligations, covenants or agreements of Party B contained in this Agreement or the Confirmation and that any and all personal liability of every such incorporator, stockholder, agent, affiliate, officer, employee or trustee of Party B for breaches by Party B of any such obligation, covenant or agreement, which liability may arise either at common law or at equity, by statute or constitution, or otherwise, is hereby expressly waived as a condition of and in consideration for the execution of this Agreement; *provided, however*, that nothing in this paragraph shall relieve any of the foregoing persons from any liability which any such person may otherwise have for his/her or its gross negligence or willful misconduct or, with respect to the handling or transfer of funds, ordinary negligence.

- (h) **Eligible Contract Participant.** Each party represents to the other that it is an “eligible contract participant” as defined in Section 1a(12) of the Commodity Exchange Act of 1922 (7 U.S. Code §1 *et seq.*), as amended (“CEA”). This Agreement and the Transaction hereunder are subject to individual negotiation by the parties. Neither this Agreement nor the Transaction hereunder has been executed or traded on a “trading facility” as defined in Section 1a(33) of the CEA.
- (i) **Accuracy of Specified Information.** Section 3(d) is hereby amended by adding in the third line thereof after the word “respect” and before the period the words “or, in the case of audited or unaudited financial statements or balance sheets, a fair representation of the financial condition of the relevant person”.

[Signatures follow on separate pages]

IN WITNESS WHEREOF the parties have executed this Schedule to the ISDA Master Agreement on the respective dates specified below with effect from the date specified on the first page of this document.

MORGAN STANLEY CAPITAL SERVICES INC.

By: _____
Name: _____
Title: _____

WILMINGTON TRUST COMPANY

in its capacity as Subordination Agent on behalf of the Trustee under the
Continental Airlines Pass Through Trust 2006-1G.

By: _____

Name: _____

Title: _____

Exhibit A

Intercreditor Agreement

Date: June 9, 2006
To: Wilmington Trust Company
From: Morgan Stanley Capital Services Inc.
Subject: **ABOVE CAP LIQUIDITY FACILITY CONFIRMATION**

Reference Number: SQB38

Ladies and Gentlemen:

The purpose of this letter agreement (this "Confirmation") is to confirm the terms and conditions of the Interest Rate Cap Transaction entered into on the Trade Date referred to in Paragraph 2 below (the "Transaction") between Morgan Stanley Capital Services Inc. ("Party A") and Wilmington Trust Company in its capacity as Subordination Agent on behalf of the Trustee under the Continental Airlines Pass Through Trust 2006-1G ("Party B"). This letter agreement constitutes a "Confirmation" as referred to in the ISDA Master Agreement specified below.

1. The definitions and provisions contained in the 2000 ISDA Definitions and Annex to the 2000 ISDA Definitions (June 2000 Version) as published by the International Swaps and Derivatives Association, Inc. (as so supplemented, the "Definitions") are incorporated into this Confirmation. In the event of any inconsistency between the Definitions and this Confirmation, this Confirmation will govern. References herein to a "Transaction" shall be deemed to be references to a "Swap Transaction" for the purposes of the Definitions.

This Confirmation supplements, forms a part of, and is subject to the 1992 ISDA Master Agreement (Multicurrency - Cross Border) including the Schedule thereto, dated as of June 9, 2006 as amended and supplemented from time to time (collectively, the "Agreement"), between us. All provisions contained in the Agreement govern this Confirmation except as modified below. In the event of any inconsistency between the Agreement and this Confirmation, this Confirmation will govern. Capitalized terms not otherwise defined in the Agreement or this Confirmation shall have the meanings ascribed to them in the Intercreditor Agreement dated as of June 9, 2006 among Wilmington Trust Company, as Trustee under the Continental Airlines Pass Through Trust 2006-1G and Continental Airlines Pass Through Trust 2006-1B, Morgan Stanley Bank, as Primary Liquidity Provider, Morgan Stanley Capital Services Inc., as Above-Cap Liquidity Provider, Financial Guaranty Insurance Company, as Policy Provider, and Wilmington Trust Company, as Subordination Agent (the "Intercreditor Agreement"). The Agreement and the Confirmation will be governed by and construed in accordance with the laws of the State of New York.

Each of Party A and Party B represents to the other that it has entered into this Transaction in reliance upon such independent accounting, regulatory, legal, tax and financial advice as it deems necessary and not upon any view expressed by the other.

2. Party A and Party B by this Confirmation are entering into a Transaction (the “Above-Cap Liquidity Facility”) that provides an irrevocable interest rate cap. The terms of the Above-Cap Liquidity Facility are as follows:

General Terms:

Transaction Type:	Interest Rate Cap Transaction
Notional Amount:	The Pool Balance for the Class G Certificates from time to time. The Notional Amount as of any Floating Rate Payer Payment Date shall be determined before giving effect to any distributions on such Class G Certificates on such Floating Rate Payer Payment Date.
Trade Date:	May 24, 2006
Effective Date:	June 9, 2006
Termination Date:	The first Business Day following the earlier of (i) June 2, 2015 and (ii) the date on which payment in full of Final Distributions with respect to the Class G Certificates has been made.
Currency Unit:	USD
Business Day/Local Business Day:	“Business Day” as defined in the Intercreditor Agreement for all purposes under the Agreement.
Business Day Convention:	Following

Fixed Amounts:

Fixed Amount Payer:	Party B
Fixed Amount Payer Payment Date:	Effective Date
Fixed Amount:	As set forth in a separate letter agreement between Party A and Party B.

Floating Amounts:

Floating Rate Payer:	Party A
Floating Amount:	On each Floating Rate Payer Payment Date on which (i) the Floating Rate Option exceeds the Cap Rate and (ii) a Drawing Event (as defined below) has occurred, the Floating Amount shall be calculated as follows:

In the event that either (a) the Available Amount under the Primary Liquidity Facility (before giving effect to any Interest Drawing to be made on such Payment Date) is greater than zero or (b) the amount on deposit in the Primary Cash Collateral Account (before giving effect to any withdrawals to be made from such account on such Payment Date) is greater than zero, the Floating Amount shall equal the Above-Cap Payment for such date.

In the event that both statements in clauses (a) and (b) above are not true, then the Floating Amount shall equal zero.

Period End Dates: Each March 2, June 2, September 2 and December 2, commencing on September 2, 2006 and ending on the Termination Date, subject to adjustment in accordance with the Following Business Day Convention.

Floating Rate Payer Payment Dates: Each day that is a Period End Date and any Special Distribution Date not coinciding with a Period End Date on which a distribution of interest is, by the terms of the Intercreditor Agreement, to be made on the Class G Certificates.

Floating Rate Option: USD-LIBOR-BBA; *provided* that, if the relevant rate does not appear on the Telerate Page 3750, the rate shall be "LIBOR" as defined in the Intercreditor Agreement; and *provided further* that the Floating Rate Option shall be deemed to equal the Cap Rate during such period as the Stated Interest Rate applicable to the Class G Certificates is subject to the Capped Interest Rate pursuant to the proviso in the definition of "Stated Interest Rate" in the Intercreditor Agreement.

Cap Rate: 10%

Designated Maturity: 3-Month

Spread: None

Floating Rate Day Count Fraction: Actual/360

Reset Dates: The first day of the relevant Calculation Period.

Compounding: Inapplicable

Notice: Party B shall, on or before 12:00 p.m. (New York time) on each Floating Rate Payer Payment Date, provide Party A with notice of the then-current Pool Balance of the Class G Certificates and the Floating Amount payable, if any, together with, if such Floating Amount is payable, the certification referred to in the final sentence of Section 3.5(a) of the Intercreditor Agreement.

3. Role of Party A; Role of Calculation Agent

- (i) Party B acknowledges that: (a) in connection with this Transaction and this Agreement, Party A has acted in the capacity of an arm's-length contractual counterparty and not as its financial advisor or fiduciary; and (b) in exercising its rights or performing any of its duties under this Agreement, Party A will act as principal and not as a fiduciary of Party B.
- (ii) Whenever the Calculation Agent is required to act or exercise judgment in any way, it will do so in good faith and in a commercially reasonable manner. The calculations and determinations of the Calculation Agent shall be made in accordance with terms of this Confirmation having regard in each case to the criteria stipulated herein.

4. Credit Downgrade/Replacement of Above-Cap Liquidity Provider

In the event the relevant credit rating of Morgan Stanley or any successor or permitted assignee as Liquidity Guarantor issued by any Rating Agency at any time is lower than the applicable Threshold Rating ("Credit Downgrade") or an Event of Default specified in Section 5(a)(iii)(2) or 5(a)(iii)(3) of the Agreement ("Credit Support Event") occurs, Party A may, within ten days, at its own expense, arrange for one or more Replacement Above-Cap Liquidity Providers to enter into and deliver to Party B a Replacement Above-Cap Liquidity Facility for the Above-Cap Liquidity Facility. If Party A does not arrange for such replacement and if this Above-Cap Liquidity Facility has not otherwise been replaced by Continental Airlines, Inc. (at the expense of Continental Airlines, Inc.) in accordance with the terms of Section 3.5(c)(iv) of the Intercreditor Agreement, then (i) in the case of a Credit Support Event, such 10th day (or if such 10th day is not a Business Day, the next succeeding Business Day) shall be designated an "Early Termination Date" and Part 1(j) of the Schedule to the Agreement will apply to Party A and (ii) in the case of a Credit Downgrade, Part 1(j) of the Schedule to the Agreement will apply to Party A as if such 10th day (or if such 10th day is not a Business Day, the next succeeding Business Day) were designated an "Early Termination Date".

5. Additional Definitions

"Drawing Event" shall mean an event on any Distribution Date where Party B, after giving effect to the subordination provisions of the Intercreditor Agreement and any Election Interest Payments made by the Policy Provider (but without regard to drawings under the Primary Liquidity Facility or withdrawals from the Primary Cash Collateral Account or Above-Cap Account or under the Policy (other than Election Interest Payments)), shall not have sufficient funds for the payment of any amounts due and owing in respect of accrued interest on the Class G Certificates.

"Threshold Rating" shall mean, for purposes of this Agreement, the short-term unsecured debt rating of P-1 by Moody's and short-term issuer credit rating of A-1 by Standard & Poor's.

6. Payments

Party A hereby irrevocably instructs Party B to make any payment due to Party A directly to the account specified below in the name of Party A. Party B hereby irrevocably instructs Party A to make any payments of Floating Amounts and any Termination Amount due to Party B directly to the account specified below in the name of Party B. All payments by Party A of Floating Amounts and any

Termination Amount due to Party B shall be made prior to 5:00 p.m. (New York City time) on the date such payment is due without setoff, deduction, withholding, netting, or any other reduction.

7. Account Details

Payments to Party A: Citibank, New York (CITIUS33)
ABA#: 021000089
Account#: 40724601
Reference: Morgan Stanley Capital Services Inc. (MSCUS33)

Payments to Party B: Wilmington Trust Company
ABA#: 031100092
Account#: 076970-000
Reference: Continental Spare Parts-06

8. Offices

The Office of Party A for the Transaction is its office at the address specified for notices to it in the Schedule to the Agreement. The Office of Party B for the Transaction is its office at the address specified for notices to it in the Schedule to the Agreement.

9. Counterparts

This Confirmation may be executed in any number of counterparts and by each party hereto on separate counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same Confirmation.

[Signatures follow on separate pages]

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing the copy of this Confirmation enclosed for that purpose and returning it to us.

Yours sincerely,

MORGAN STANLEY CAPITAL SERVICES INC.

By: _____
Name: _____
Title: _____

Confirmed as of the date first written above:

WILMINGTON TRUST COMPANY

in its capacity as Subordination Agent
on behalf of the Trustee under the
Continental Airlines Pass Through
Trust 2006-1G

By: _____

Name: _____

Title: _____

June 9, 2006

WILMINGTON TRUST COMPANY
in its capacity as Subordination Agent
on behalf of the Trustee under the
Pass Through Trust Agreement
Rodney Square North
1100 North Market Street
Wilmington, Delaware 19890-0001
Attention: Corporate Trust Administration

Ladies and Gentlemen:

In consideration of that certain ISDA Master Agreement dated as of June 9, 2006 between Morgan Stanley Capital Services Inc., a Delaware corporation (hereinafter "MSCS"), and Wilmington Trust Company, a Delaware banking corporation, in its capacity as Subordination Agent on behalf of the Trustee under the Continental Airlines Pass Through Trust 2006-1G (hereinafter "Counterparty") (such ISDA Master Agreement, together with the Schedule thereto and the Confirmation exchanged between the parties pursuant thereto, hereinafter the "Agreement"), Morgan Stanley, a Delaware corporation (hereinafter "MS"), hereby irrevocably and unconditionally guarantees to Counterparty, with effect from the date of the Agreement, the due and punctual payment of all amounts payable by MSCS under the Agreement when the same shall become due and payable, whether on Scheduled Payment Dates, upon demand, upon declaration of termination or otherwise, in accordance with the terms of the Agreement and giving effect to any applicable grace period under the Agreement. Upon failure of MSCS punctually to pay any such amounts, MS agrees to pay or cause to be paid such amounts. The Counterparty agrees to demand payments from MS in writing at its address set forth in the signature block of this Guarantee (or to such other address as MS may specify in writing), provided that delay by Counterparty in giving such demand shall in no event affect MS's obligations under this Guarantee.

MS hereby agrees that its obligations hereunder shall be absolute and unconditional and will not be discharged except by complete payment of the amounts payable under the Agreement, irrespective of any claim as to the Agreement's validity, regularity or enforceability or the lack of authority of MSCS to execute or deliver the Agreement; any insolvency, bankruptcy, reorganization or dissolution or any proceeding of MSCS, including without limitation rejection of MSCS's payment obligations under the Agreement in such bankruptcy; any waiver of or consent to any departure from or failure to enforce any other guarantee for any or all of MSCS's payment obligations under the Agreement; or any change in or amendment to the Agreement; or any waiver or consent by Counterparty with respect to any provisions thereof; or the absence of any action to enforce the Agreement or the recovery of any judgment against MSCS or of any action to enforce a judgment against MSCS under the Agreement; or any similar circumstance which might otherwise constitute a legal or equitable discharge or defense of a guarantor generally. MS hereby waives diligence, presentment, demand on MSCS for payment or otherwise, filing of claims, requirement of a prior proceeding against MSCS and protest or notice. If at any time payment under the Agreement is rescinded or must be otherwise restored or returned by Counterparty upon the insolvency, bankruptcy or reorganization of MSCS or MS or otherwise, MS's obligations hereunder with respect to such payment shall be reinstated upon such restoration or return being made by Counterparty as though such payment had not been made.

MS represents to Counterparty as of the date hereof, which representations will be deemed to be repeated by MS on each date on which a Transaction is entered into, that:

(1) it is duly organized and validly existing under the laws of the jurisdiction of its incorporation and has full power and legal right to execute and deliver this Guarantee and to perform the provisions of this Guarantee on its part to be performed;

(2) its execution, delivery and performance of this Guarantee have been and remain duly authorized by all necessary corporate action and do not contravene any provision of its certificate of incorporation or by-laws or any law, regulation or contractual restriction binding on it or its assets;

(3) all consents, authorizations, approvals and clearances (including, without limitation, any necessary exchange control approval) and notifications, reports and registrations requisite for its due execution, delivery and performance of this Guarantee have been obtained from or, as the case may be, filed with the relevant governmental authorities having jurisdiction and remain in full force and effect and all conditions thereof have been duly complied with and no other action by, and no notice to or filing with, any governmental authority having jurisdiction is required for such execution, delivery or performance; and

(4) this Guarantee is its legal, valid and binding obligation enforceable against it in accordance with its terms except as enforcement hereof may be limited by bankruptcy, insolvency, reorganization or other similar laws applicable to MS affecting the enforcement of creditors' rights or by general equity principles.

This Guarantee may not be amended, modified, or waived except in writing executed by each of MS and the Counterparty.

MS agrees that its obligations hereunder shall not be subject to termination, offset or counterclaim (all of which are expressly waived by MS).

This Guarantee is a guarantee of payment and not of collection. This Guarantee shall continue to be effective if MS merges or consolidates with or into another entity, loses its separate legal identity or ceases to exist. The rights and obligations of MS under this Guarantee shall inure to the benefit of, and be binding upon, its successors and permitted assigns. However, MS hereby agrees that, other than as a result of a merger or the sale of substantially all of the assets of MS in which the surviving entity assumes the obligations of MS, it shall not assign this Guarantee and all obligations arising from this Guarantee without prior written consent of Counterparty, such consent not to be unreasonably withheld.

By accepting this Guarantee and entering into the Agreement, Counterparty agrees that MS shall be subrogated to all rights of Counterparty against MSCS in respect of any amounts paid by MS pursuant to this Guarantee, provided that MS shall be entitled to enforce or to receive any payment arising out of or based upon such right of subrogation only to the extent that it has paid all amounts payable by MSCS under the Agreement; and provided further that nothing in this paragraph shall affect the payment obligations of MS under this Guarantee.

This Guarantee shall be governed by and construed in accordance with the laws of the State of New York. All capitalized terms not otherwise defined herein shall have the respective meanings assigned to them in the Agreement.

MORGAN STANLEY

By: _____

Name:

Title:

Address: 1585 Broadway
New York, NY 10036

Attention: Treasurer

Fax No.: 212-762-0337

Phone: (212) 761-4000

FINANCIAL GUARANTY INSURANCE COMPANY,
as Policy Provider,

CONTINENTAL AIRLINES, INC.,

WILMINGTON TRUST COMPANY,
not in its individual capacity but solely as Subordination Agent
and

WILMINGTON TRUST COMPANY,
as Trustee under the
CONTINENTAL AIRLINES PASS THROUGH TRUST 2006-1G

INSURANCE AND INDEMNITY AGREEMENT

CONTINENTAL AIRLINES PASS THROUGH TRUST CERTIFICATES, SERIES 2006-1G

Dated as of June 9, 2006

(This Table of Contents is for convenience of reference only and shall not be deemed to be part of this Insurance Agreement. All capitalized terms used in this Insurance Agreement and not otherwise defined shall have the meanings set forth in Article I of this Insurance Agreement.)

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INSURANCE AND INDEMNITY AGREEMENT (as may be amended, modified or supplemented from time to time, this “Insurance Agreement”), dated as of June 9, 2006, by and among FINANCIAL GUARANTY INSURANCE COMPANY, as Policy Provider (“FGIC” or the “Policy Provider”), CONTINENTAL AIRLINES, INC. (“Continental”), WILMINGTON TRUST COMPANY, not in its individual capacity but solely as Subordination Agent (the “Subordination Agent”), and WILMINGTON TRUST COMPANY, as Class G Trustee (the “Class G Trustee”).

WITNESSETH:

WHEREAS, Continental is the owner of certain Pledged Spare Parts;

WHEREAS, pursuant to the Trust Indenture, Continental will issue, on a recourse basis, two series of Equipment Notes which are to be secured by a security interest in all right, title and interest of Continental in and to certain Pledged Spare Parts and certain other property described in the Trust Indenture;

WHEREAS, the Trustee under each of the Trust Agreements, will create the Trusts, which will acquire the Equipment Notes;

WHEREAS, pursuant to each Trust Agreement, a separate Trust has been created to facilitate the sale of the Certificates;

WHEREAS, (i) the Primary Liquidity Provider and the Subordination Agent, as agent for the Class G Trustee, have entered into the Primary Liquidity Facility for the benefit of the Class G Certificateholders, (ii) the Above-Cap Liquidity Provider and the Subordination Agent, as agent for the Class G Trustee, have entered into the Above-Cap Liquidity Facility for the benefit of the Class G Certificateholders, (iii) the Trustee on behalf of each Trust, the Primary Liquidity Provider, the Above-Cap Liquidity Provider, the Policy Provider and the Subordination Agent have entered into the Intercreditor Agreement and (iv) Continental, the Mortgagee and the Policy Provider have entered into the Collateral Maintenance Agreement;

WHEREAS, the Policy Provider has issued a Policy in respect of the Class G Certificates, pursuant to which it has agreed to guarantee the payment of interest to the Subordination Agent for the benefit of the Class G Trustee and the Class G Certificateholders and the payment of principal of the Class G Certificates on the Final Distribution Date for the Class G Certificates and as otherwise provided therein; and

WHEREAS, each of Continental, the Class G Trustee and the Subordination Agent has agreed to undertake certain obligations in consideration for the Policy Provider’s issuance of the Policy;

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, the parties hereto agree as follows:

ARTICLE I.

DEFINITIONS

Section 1.01 Defined Terms. Unless the context clearly requires otherwise, all capitalized terms used but not defined herein shall have the respective meanings assigned to them in the Intercreditor Agreement or, if not defined therein, in the Policy described below. For purposes of this Insurance Agreement, the following terms shall have the following meanings:

“Act” means Part A of subtitle VII of title 49, United States Code, as amended from time to time, or any similar legislation of the United States enacted in substitution or replacement thereof.

“Applicable Time” means 5 p.m., Eastern Time on the Offer Date.

“Bankruptcy Code” means the United States Bankruptcy Code, 11 U.S.C. Section 101 et seq.

“Base Prospectus” means the base prospectus of Continental, dated as of April 10, 2006, covering pass through certificates.

“Citizen of the United States” is defined in Section 40102(a)(15) of the Act and in the FAA Regulations.

“Closing Date” means June 9, 2006.

“Continental” has the meaning given such term in the preamble hereto.

“Collateral Maintenance Agreement” means the Collateral Maintenance Agreement, dated as the date hereof by and among Continental, the Mortgagee and the Policy Provider.

“Event of Loss” has the meaning given such term in the Trust Indenture.

“Expenses” means any and all liabilities, obligations, losses (other than losses from non-reimbursement of amounts paid by FGIC under the Policy), damages, settlements, penalties, claims, actions, suits, costs, out-of-pocket expenses and disbursements (including, without limitation, reasonable fees and disbursements of legal counsel, accountants, appraisers, inspectors or other professionals, and costs of investigation).

“FAA” means the Federal Aviation Administration of the United States of America or any Government Entity succeeding to the functions of such Federal Aviation Administration.

“FGIC” has the meaning given such term in the preamble hereto.

“Final Dissolution Date” means following the occurrence of a Triggering Event, the Distribution Date next succeeding the date of receipt by the Subordination Agent of the

proceeds of the sale of the Series G Equipment Note or the Pledged Spare Parts comprising all of the Pledged Spare Parts then subject to the Lien of the Trust Indenture.

“Final Distribution Date” means the date which is the earlier of the (i) Final Legal Distribution Date or (ii) Final Dissolution Date.

“Final Prospectus” means the Base Prospectus as supplemented by the Final Prospectus Supplement.

“Final Prospectus Supplement” means the final prospectus supplement, dated as of May 24, 2006, with respect to the Certificates.

“Financing Statements” means collectively, UCC-1 (and, where appropriate, UCC-3) financing statements covering the related Collateral, naming Continental as debtor, showing Mortgagee as secured party, for filing in Delaware and each other jurisdiction in which such filing is made on or before the Closing Date.

“GAAP” means generally accepted accounting principles as set forth in the statements of financial accounting standards issued by the Financial Accounting Standards Board of the American Institute of Certified Public Accountants, as such principles may at any time or from time to time be varied by any applicable financial accounting rules or regulations issued by the SEC and, with respect to any Person, shall mean such principles applied on a basis consistent with prior periods except as may be disclosed in such Person's financial statements.

“Government Entity” means (a) any federal, state, provincial or similar government, and any body, board, department, commission, court, tribunal, authority, agency or other instrumentality of any such government or otherwise exercising any executive, legislative, judicial, administrative or regulatory functions of such government or (b) any other government entity having jurisdiction over any matter contemplated by the Operative Documents or relating to the observance or performance of the obligations of any of the parties to the Operative Documents.

“Indemnification Agreement” means the Indemnification Agreement, dated as of May 24, 2006, among FGIC, Continental and the Underwriter, as amended, supplemented or otherwise modified from time to time in accordance with its terms.

“Insurance Agreement” has the meaning given such term in the initial paragraph hereof.

“Intercreditor Agreement” means the Intercreditor Agreement, dated as of June 9, 2006, among Wilmington Trust Company, as Trustee under each Trust, the Primary Liquidity Provider, the Above-Cap Liquidity Provider, the Subordination Agent and the Policy Provider.

“Investment Company Act” means the United States Investment Company Act of 1940, including, unless the context otherwise requires, the rules and regulations thereunder, as amended from time to time.

“Lien” means any mortgage, pledge, lien, charge, encumbrance or security interest affecting the title to or any interest in property.

“Material Adverse Change” means, in respect of any Person as at any date, a material adverse change in the ability of such Person to perform its obligations under any of the Operative Documents to which it is a party as of such date, including any material adverse change in the business, financial condition, results of operations or properties of such Person on a consolidated basis with its subsidiaries which is reasonably likely to have such effect.

“Mortgagee” means Wilmington Trust Company in its capacity as Mortgagee under the Trust Indenture.

“Offer Date” means May 24, 2006.

“Operative Documents” means this Insurance Agreement, the Policy, the Indemnification Agreement, the Intercreditor Agreement, the Trust Indenture, the Note Purchase Agreement, the Series G Equipment Note, the Class G Certificates, the Primary Liquidity Facility, the Above-Cap Liquidity Facility, the Class G Trust Agreement, the Collateral Maintenance Agreement and the Policy Fee Letter, together with all exhibits and schedules included with any of the foregoing.

“Person” means an individual, joint stock company, trust, unincorporated association, joint venture, corporation, business or owner trust, partnership or other organization or entity (whether governmental or private).

“Policy” means the Financial Guaranty Insurance Policy No. 06030067, together with all endorsements thereto, issued by the Policy Provider in favor of the Subordination Agent, for the benefit of the Class G Certificateholders, as each of the same may be amended from time to time in accordance with the terms of the Intercreditor Agreement.

“Policy Fee Letter” means the fee letter, dated as of June 9, 2006 from the Policy Provider to Continental and the Subordination Agent setting forth the Premium and certain other amounts payable in respect of the Policy.

“Policy Provider” means Financial Guaranty Insurance Company, or any successor thereto, as issuer of the Policy.

“Policy Provider Information” means the information set forth (or incorporated by reference) under the caption “Description of the Policy Provider” in the Preliminary Prospectus Supplement and the Final Prospectus Supplement and in Appendix III of the Preliminary Prospectus Supplement and the Final Prospectus Supplement.

“Preliminary Prospectus Supplement” means the preliminary prospectus supplement, dated as of May 24, 2006, with respect to the Certificates.

“Premium” has the meaning given such term in the Policy Fee Letter.

“SEC” means the Securities and Exchange Commission of the United States of America, or any successor thereto.

“Section 1110” means 11 U.S.C. § 1110 of the Bankruptcy Code or any successor or analogous section of the federal bankruptcy law in effect from time to time.

“Securities Act” means the Securities Act of 1933, including, unless the context otherwise requires, the rules and regulations thereunder, as amended from time to time.

“Security” means a “security” as defined in Section 2(a)(1) of the Securities Act.

“Subordination Agent” has the meaning given such term in the preamble hereto.

“Time of Sale Prospectus” has the meaning given to such term in the Underwriting Agreement.

“Transactions” means the transactions contemplated by the Operative Documents.

“Trust Indenture” means the Trust Indenture and Mortgage, dated as of the date hereof, between Continental and the Mortgagee, as amended, supplemented or otherwise modified from time to time in accordance with its terms.

“UCC” means the Uniform Commercial Code as in effect in any applicable jurisdiction.

“Underwriter Information” has the meaning given such term in the Indemnification Agreement.

“Underwriting Agreement” means the Underwriting Agreement, dated as of May 24, 2006, by and between the Underwriter and Continental relating to the purchase of the Class G Certificates and the Class B Certificates by the Underwriter, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

“U.S. Air Carrier” means any United States air carrier that is a Citizen of the United States holding an air carrier operating certificate issued by the Secretary of Transportation pursuant to the Act for aircraft capable of carrying 10 or more individuals or 6000 pounds or more of cargo, and as to which there is in force an air carrier operating certificate issued pursuant to Part 121 of the FAA Regulations, or which may operate as an air carrier by certification or otherwise under any successor or substitute provisions therefor or in the absence thereof.

Section 1.02 Other Definitional Provisions. The words “hereof,” “herein” and “hereunder” and words of similar import when used in this Insurance Agreement shall refer to this Insurance Agreement as a whole and not to any particular provision of this Insurance Agreement, and Section, subsection, Schedule and Exhibit references are to this Insurance Agreement unless otherwise specified. The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms. The words “include” and “including” shall be deemed to be followed by the phrase “without limitation.”

ARTICLE II.

REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 2.01 Representations and Warranties of Continental. Continental represents and warrants as of the Closing Date as follows:

(a) Organization; Qualification. Continental is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware and has the corporate power and authority to conduct the business in which it is currently engaged and to own or hold under lease its properties and to enter into and perform its obligations under the Operative Documents to which it is a party as of such date. Continental is duly qualified to do business as a foreign corporation in good standing in each jurisdiction in which the nature and extent of the business conducted by it, or the ownership of its properties, requires such qualification, except where the failure to be so qualified would not give rise to a Material Adverse Change to Continental.

(b) Corporate Authorization. Continental has taken, or caused to be taken, all necessary corporate action (including, without limitation, the obtaining of any consent or approval of stockholders required by its certificate of incorporation or by-laws) to authorize the execution and delivery of each of the Operative Documents to which it is a party as of such date, and the performance of its obligations thereunder.

(c) No Violation. The execution and delivery by Continental of the Operative Documents to which it is a party as of such date, the performance by Continental of its obligations thereunder and the consummation by Continental of the Transactions contemplated thereby, do not and will not (a) violate any provision of the certificate of incorporation or by-laws of Continental, (b) violate any law, regulation, rule or order applicable to or binding on Continental or (c) violate or constitute any default under (other than any violation or default that would not result in a Material Adverse Change to Continental), or result in the creation of any Lien (other than Permitted Liens, as defined in the Trust Indenture) upon the Collateral under, any indenture, mortgage, chattel mortgage, deed of trust, conditional sales contract, lease, loan or other material agreement, instrument or document to which Continental is a party or by which it or any of its properties is bound.

(d) Approvals. The execution and delivery by Continental of the Operative Documents to which it is a party as of such date, the performance by Continental of its obligations thereunder and the consummation by Continental of the Transactions contemplated thereby do not and will not require the consent or approval of, or the giving of notice to, or the registration with, or the recording or filing of any documents with, or the taking of any other action in respect of, (a) any trustee or other creditor of Continental and (b) any Government Entity, other than (i) such as are required under the Securities Act, the Trust Indenture Act of 1939, as amended, the securities and Blue Sky laws of the various states and of foreign jurisdictions or rules and regulations of the National Association of Securities Dealers, Inc., (ii) filings or recordings with the FAA and under the UCC or other laws in effect in any applicable jurisdiction governing the perfection of

security interests in the Collateral, which filings or recordings shall have been made, or duly presented for filing or recordation, or shall be in the process of being duly filed or filed for recordation, on or before such date (and continuation statements periodically), (iii) filings, recordings, notices or other ministerial actions pursuant to any routine recording, contractual or regulatory requirements applicable to it and (iv) filings, recordings, notices or other actions contemplated by the Operative Documents in connection with the lease or sale of the Pledged Spare Parts.

(e) Valid and Binding Agreements. The Operative Documents executed and delivered by Continental on or prior to such date have been duly executed and delivered by Continental and, assuming the due authorization, execution and delivery thereof by the other party or parties thereto (and, in the case of the Equipment Notes, when issued and authenticated in the manner provided for in the Trust Indenture and delivered against payment of the consideration therefor specified in the Note Purchase Agreement), constitute the legal, valid and binding obligations of Continental and are enforceable against Continental in accordance with the respective terms thereof, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, receivership, moratorium and other similar laws affecting the rights of creditors generally and general principles of equity, whether considered in a proceeding at law or in equity, and subject to principles of public policy limiting the right to enforce the indemnification and contribution provisions contained therein, insofar as such provisions relate to indemnification and contribution for liabilities arising under federal securities laws.

(f) Litigation. Except as set forth in the Time of Sale Prospectus, Continental's most recent Annual Report on Form 10-K, as amended, filed by Continental with the SEC on or prior to the Closing Date or in any Quarterly Report on Form 10-Q or Current Report on Form 8-K filed by Continental with the SEC subsequent to such Form 10-K, no action, claim or proceeding is now pending or, to the actual knowledge of Continental, threatened against Continental before any court, governmental body, arbitration board, tribunal or administrative agency, which is reasonably likely to be determined adversely to Continental and if determined adversely to Continental is reasonably likely to result in a Material Adverse Change to Continental.

(g) Financial Condition. The audited consolidated balance sheet of Continental with respect to Continental's most recent fiscal year included in Continental's most recent Annual Report on Form 10-K, as amended, filed by Continental with the SEC, and the related consolidated statements of operations and cash flows for the fiscal year then ended have been prepared in conformity with GAAP and present fairly in all material respects the consolidated financial condition of Continental and its consolidated subsidiaries as of such date and their consolidated results of operations and cash flows for such period, and since the date of such balance sheet, there has been no Material Adverse Change in such financial condition or results of operations of Continental, except for matters disclosed in (a) the Time of Sale Prospectus, (b) the financial statements referred to above or (c) any subsequent Quarterly Report on Form 10-Q or Current Report on Form 8-K filed by Continental with the SEC on or prior to the Closing Date.

(h) Registration and Recordation. Except for (a) the filing for recordation (and recordation) of the Trust Indenture with the FAA pursuant to the Act and (b) the filing of the Financing Statements (and continuation statements relating thereto at periodic intervals), no further action, including any filing or recording of any document (including any financing statement in respect thereof under Article 9 of the UCC) is necessary in order to establish and perfect the Mortgagee's first priority perfected security interest in the Pledged Spare Parts and the Spare Parts Documents (as defined in the Trust Indenture) (subject only to Permitted Liens as defined in the Trust Indenture), as against Continental and any other Person claiming by or through Continental in any applicable jurisdiction in the United States.

(i) Location. Continental's location (as such term is used in Section 9-307 of Article 9 of the UCC) is the State of Delaware.

(j) No Default. On the Closing Date, no event which would constitute an Event of Default (as defined in the Trust Indenture) and no event or condition that with the giving of notice or the lapse of time or both would become such an Event of Default has occurred and is continuing.

(k) No Event of Loss. As of the Closing Date, no Event of Loss has occurred with respect to Pledged Spare Parts having an Appraised Value of more than \$2,000,000, and to the actual knowledge of Continental, no circumstance, condition, act or event has occurred that, with the giving of notice or lapse of time or both would give rise to or constitute an Event of Loss with respect to Pledged Spare Parts having an Appraised Value of more than \$2,000,000.

(l) Compliance with Laws.

(a) Continental is a Citizen of the United States and a U.S. Air Carrier.

(b) Continental holds all licenses, permits and franchises from the appropriate Government Entities necessary to authorize Continental to lawfully engage in air transportation and to carry on scheduled commercial passenger service as currently conducted, except where the failure to so hold any such license, permit or franchise would not give rise to a Material Adverse Change to Continental.

(c) Neither Continental nor the Class G Trust is an "investment company" or a company controlled by an "investment company" within the meaning of the Investment Company Act.

(m) Securities Laws. Neither Continental nor any person authorized to act on its behalf has directly or indirectly offered any beneficial interest or Security relating to the ownership of the Collateral, or any of the Equipment Notes or any other interest in or security under the Trust Indenture, for sale, to, or solicited any offer to acquire any such interest or security from, or has sold any such interest or security to, any Person in violation of the Securities Act.

(n) Section 1110. The Mortgagee is entitled to the benefits of Section 1110 (as in effect on such date) with respect to the right to take possession of the Pledged Spare Parts and to enforce any of its other rights or remedies as provided in the Trust Indenture in the event of a case under Chapter 11 of the Bankruptcy Code in which Continental is a debtor.

(o) Accuracy of Information. Continental has no knowledge of any circumstances that could reasonably be expected to cause a Material Adverse Change with respect to Continental except for matters (i) disclosed in (A) the Time of Sale Prospectus, (B) the financial statements referred to above or (C) any subsequent Quarterly Report on Form 10-Q, Current Report on Form 8-K or any press release issued by Continental filed by Continental with the SEC or (ii) otherwise disclosed in writing to FGIC, in each case, on or prior to the Closing Date. Except for the Policy Provider Information and the Underwriter Information, in each case, included in the Time of Sale Prospectus, the Time of Sale Prospectus, as of the Applicable Time, did not, and as of the Closing Date, does not, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. Except for the Policy Provider Information and the Underwriter Information, in each case, included in the Final Prospectus, the Final Prospectus, on the date thereof, did not, and as of the Closing Date, does not, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

Section 2.02 Covenants of Continental. Continental covenants and agrees with the Policy Provider that, so long as the Policy Provider is the Controlling Party, Continental shall comply with the provisions of the Operative Documents relating to maintenance, operation, insurance, leasing and sale of the Pledged Spare Parts.

Section 2.03 Covenants of the Class G Trustee and Subordination Agent. The Class G Trustee and the Subordination Agent shall perform and observe, in all material respects, all of its covenants, obligations and agreements in any Operative Document to which it is a party to be observed or performed by it.

Section 2.04 Representations, Warranties and Covenants of the Policy Provider. The Policy Provider represents, warrants and covenants to Continental and the Subordination Agent as follows:

(a) Organization and Licensing. The Policy Provider is duly organized, validly existing and in good standing as a stock insurance corporation under the laws of the State of New York duly qualified to conduct an insurance business in every jurisdiction where qualification may be necessary to accomplish the Transactions.

(b) Corporate Power. The Policy Provider has the corporate power and authority to issue the Policy, to execute and deliver this Insurance Agreement and the other Operative Documents to which it is a party and to perform all of its obligations hereunder and thereunder.

(c) Authorization; Approvals. All proceedings legally required for the issuance, execution, delivery and performance of the Policy and the execution, delivery and performance of this Insurance Agreement and the other Operative Documents to which the Policy Provider is a party have been taken and licenses, orders, consents or other authorizations or approvals of any Government Entities legally required for the enforceability of the Policy have been obtained; any proceedings not taken and any licenses, authorizations or approvals not obtained are not material to the enforceability of the Policy.

(d) Enforceability. This Insurance Agreement and the other Operative Documents (other than the Policy) to which the Policy Provider is a party constitute, and the Policy, when issued, will constitute, the legal, valid and binding obligations of the Policy Provider and are enforceable in accordance with the respective terms thereof, subject to bankruptcy, insolvency, reorganization, moratorium, receivership and other similar laws affecting creditors' rights generally as they would apply in the event of the bankruptcy, receivership, insolvency or similar proceeding of FGIC and to general principles of equity, whether considered in a proceeding at law or in equity, and subject to principles of public policy limiting the right to enforce the indemnification provisions contained herein, insofar as such provisions relate to indemnification for liabilities arising under federal securities laws.

(e) Exemption from Registration. The Policy is exempt from registration under the Securities Act.

(f) No Conflicts. Neither the execution or delivery by FGIC of the Policy and the Operative Documents to which it is a party, nor the performance by FGIC of its obligations thereunder, will conflict with any provision of the certificate of incorporation or the bylaws of FGIC nor result in a breach of, or constitute a default under, any material agreement or other instrument to which FGIC is a party or by which any of its property is bound nor violate any judgment, order or decree applicable to FGIC of any governmental or regulatory body, administrative agency, court or arbitrator having jurisdiction over FGIC to the extent any such conflict, breach, default or violation would result in a Material Adverse Change in the financial results or operations of FGIC or impairs FGIC's ability to perform its obligations under the Policy or any of the Operative Documents.

(g) Financial Information. The consolidated financial statements of the Policy Provider and its subsidiaries as of December 31, 2005 and December 31, 2004 and for the years ended December 31, 2005 and December 31, 2004 and the periods from December 18, 2003 through December 31, 2003 and from January 1, 2003 through December 17, 2003, and the accompanying footnotes, together with the reports thereon of Ernst & Young LLP, independent certified public accountant, included in Appendix III of the Preliminary Prospectus Supplement and the Final Prospectus Supplement, fairly present in all material respects the financial condition of the Policy Provider and its subsidiaries as of such dates and for the periods covered by such statements in accordance with GAAP consistently applied. The consolidated financial statements of the Policy Provider and its subsidiaries as of March 31, 2006 and for the three-month period ended March 31,

2006, included in Appendix III of the Preliminary Prospectus Supplement and the Final Prospectus Supplement, present fairly in all material respects the financial condition of the Policy Provider and its subsidiaries as of such date and for such three-month period in accordance with GAAP consistently applied. Since March 31, 2006, there has been no change in the financial condition and results of operations of the Policy Provider and its subsidiaries that would materially and adversely affect the Policy Provider's ability to perform its obligations under the Policy.

(h) Policy Provider Information. The information with respect to the Policy Provider in the section of the Preliminary Prospectus Supplement and the Final Prospectus Supplement, in each case, contained therein captioned "Description of the Policy Provider" does not purport to provide the scope of disclosure required to be included by the Securities Act with respect to a registrant in connection with the offer and sale of securities of such registrant. However, such sections do not, as of their respective dates or, in the case of the Final Prospectus Supplement, as of the Closing Date, contain any untrue statement of a material fact and do not omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(i) No Litigation. There are no actions, suits, proceedings or investigations pending or, to the best of the Policy Provider's knowledge, threatened against it at law or in equity or before or by any court, governmental agency, board or commission or any arbitrator which, if decided adversely, would materially and adversely affect its ability to perform its obligations under the Policy or the Operative Documents to which it is a party.

(j) Compliance with Law, Etc. No practice, procedure or policy employed, or proposed to be employed, by the Policy Provider in the conduct of its business violates any law, regulation, judgment, agreement, order or decree applicable to the Policy Provider that, if enforced, could result in a Material Adverse Change with respect to the Policy Provider.

(k) The Policy Provider is not an "investment company" within the meaning of the Investment Company Act.

ARTICLE III.

THE POLICY; REIMBURSEMENT; INDEMNIFICATION

Section 3.01 Issuance of the Policy. The Policy Provider agrees to issue the Policy on the Closing Date subject to satisfaction of the conditions precedent set forth below on or prior to the Closing Date:

(a) Operative Documents. The Policy Provider shall have received a copy of (i) each of the Operative Documents, with the exception of the Policy, to be executed and delivered on or prior to the Closing Date, in form and substance reasonably satisfactory to the Policy Provider, duly authorized, executed and delivered by each party thereto

(other than the Policy Provider) and (ii) a copy of the Time of Sale Prospectus and the Final Prospectus;

(b) Certified Documents and Resolutions. The Policy Provider shall have received (i) a copy of the certificate of incorporation and by-laws of Continental and (ii) a certificate of the Secretary or Assistant Secretary of Continental dated the Closing Date stating that attached thereto is a true, complete and correct copy of resolutions duly adopted by the Board of Directors of Continental authorizing the execution, delivery and performance by Continental of the Operative Documents to which it is a party and the consummation of the Transactions and that such certificate of incorporation, by-laws and resolutions are in full force and effect without amendment or modification on the Closing Date;

(c) Incumbency Certificate. The Policy Provider shall have received a certificate of the Secretary or an Assistant Secretary of each of Continental and the Subordination Agent certifying the names and signatures of the officers of Continental and the Subordination Agent authorized to execute and deliver the Operative Documents to which it is a party on or prior to Closing Date;

(d) Representations and Warranties. The representations and warranties of Continental set forth in this Insurance Agreement and in the Note Purchase Agreement shall be true and correct on and as of the Closing Date;

(e) Documentation. The Policy Provider shall have received a copy of each document, instrument, certificate and opinion delivered on or before the Closing Date pursuant to the Operative Documents and the Underwriting Agreement (except for (i) the opinion of counsel to the Underwriter addressed only to the Underwriter and (ii) the opinion of counsel to Continental addressed only to the Underwriter with respect to the 10b-5 opinion contained therein), including each opinion of counsel addressed to any of Moody's, Standard & Poor's, the Mortgagee, the Class G Trustee, Continental and the Subordination Agent, in respect of any of the parties to the Operative Documents and the Transactions in form and substance reasonably satisfactory to the Policy Provider, addressed to the Policy Provider (or accompanied by a letter from the counsel rendering such opinion to the effect that the Policy Provider is entitled to rely on such opinion as of its date as if it were addressed to the Policy Provider) and addressing such matters as the Policy Provider may reasonably request, and the counsel providing each such opinion shall have been instructed by its client to deliver such opinion to the addressees thereof.

(f) Approvals, Etc. The Policy Provider shall have received true and correct copies of all approvals, licenses and consents, if any, required in connection with the Transactions;

(g) No Litigation, Etc. No suit, action or other proceeding, investigation or injunction, or final judgment relating thereto, shall be pending or threatened before any court, governmental or administrative agency or arbitrator in which it is sought to restrain or prohibit or to obtain damages or other relief in connection with any of the Operative Documents or the consummation of the Transactions;

(h) Legality. No statute, rule, regulation or order shall have been enacted, entered or deemed applicable by any government or governmental or administrative agency or court that would make the Transactions illegal or otherwise prevent the consummation thereof;

(i) Issuance of Ratings. The Policy Provider shall have received confirmation that the risk insured by the Policy is rated no lower than “Baa3” by Moody’s and “BBB” by Standard & Poor’s (in each case, without regard to the Policy) and that the Class G Certificates, when issued, will be rated “Aaa” by Moody’s and “AAA” by Standard & Poor’s;

(j) Satisfactory Documentation. The Policy Provider and its counsel shall have reasonably determined that all documents, certificates and opinions to be delivered in connection with the Certificates conform to the terms of the related Trust Agreement, the Time of Sale Prospectus, the Final Prospectus, this Insurance Agreement and the Intercreditor Agreement;

(k) Filings. The Policy Provider shall have received evidence that there shall have been made, and shall be in full force and effect, all filings, recordings and registrations, and there shall have been given or taken any notice or similar action as is necessary in order to establish, perfect, protect and preserve the right, title and interest of the Policy Provider created by the Operative Documents executed and delivered on or prior to the Closing Date;

(l) Conditions Precedent. All conditions precedent to the issuance of the Certificates under the Trust Agreements shall have been satisfied or waived (with the consent of the Policy Provider). All conditions precedent to the effectiveness of the Liquidity Facilities shall have been satisfied or waived; and

(m) Expenses. The Policy Provider shall have received payment in full of all amounts required to be paid by Continental to or for account of the Policy Provider on or prior to the Closing Date.

Section 3.02 Payment of Fees and Premium.

(a) Legal Fees. The Policy Provider shall be entitled to payment of the Policy Provider’s attorneys’ fees (in an amount not to exceed \$175,000) and all other reasonable and actual fees, expenses and disbursements (including without limitation accountants’ fees) incurred by the Policy Provider in connection with the negotiation, preparation, execution and delivery of the Time of Sale Prospectus, the Final Prospectus Supplement, the Operative Documents and all other documents delivered with respect thereto. Such attorney’s fees and expenses shall be payable by Continental on the Closing Date, to the extent that the invoice thereof shall have been presented at least one Business Day prior to the Closing Date, and within 15 days after presentation of an invoice therefor, to the extent that the invoice thereof shall not have been presented at least one Business Day prior to the Closing Date.

(b) [Reserved]

(c) [Reserved]

(d) Premium and Other Payments.

(i) In consideration of the issuance by the Policy Provider of the Policy, Continental shall pay or cause to be paid to the Policy Provider the Premium as provided in the Policy Fee Letter. Continental shall also pay such additional amounts, as and when due, in accordance with the Policy Fee Letter.

(ii) No portion of the Premium paid shall be refundable without regard to whether the Policy Provider makes any payment under the Policy or any other circumstances relating to the Class G Certificates or provision being made for payment of the Class G Certificates prior to maturity.

Section 3.03 Reimbursement Obligation.

(a) As and when due in accordance with and from the funds specified in Section 3.2 of the Intercreditor Agreement, the Policy Provider shall be entitled to reimbursement for any payment made by the Policy Provider to the Subordination Agent under the Policy or to the Primary Liquidity Provider under Section 2.6(c) or Section 3.6(d) of the Intercreditor Agreement, which reimbursement shall be due and payable on the applicable date provided therein, in an amount equal to the sum of the amount to be so paid and all amounts previously paid that remain unreimbursed, plus accrued and unpaid interest thereon from the date such amounts became due until paid in full (as well as before judgment), at a rate of interest equal to the applicable Stated Interest Rate for the Class G Certificates plus 2%. In addition, to the extent that any such payment by the Policy Provider shall have been made as a result of a default by the Primary Liquidity Provider in its obligation to make an Advance, as provided in the Intercreditor Agreement, the Policy Provider shall be entitled to the payment of interest on such amounts to the extent, at the time and in the priority specified in Section 3.2 of the Intercreditor Agreement.

(b) [Reserved]

(c) [Reserved]

(d) The Policy Provider agrees that with respect to any amendment to the Policy that would increase the reimbursement obligations to the Policy Provider hereunder above the level set at the Closing Date ("Increased Obligation Amounts"), reimbursement to the Policy Provider for such Increased Obligation Amounts shall not be required, unless Continental shall have consented to such amendment.

Section 3.04 [Reserved]

Section 3.05 Procedure for Payment of Fees and Premium.

(a) All payments to be made to the Policy Provider hereunder shall be made in lawful currency of the United States and in immediately available funds on the date such payment is due by wire transfer to JP Morgan Chase Bank, ABA #021000021 for credit to

Financial Guaranty Insurance Company, Account No. 904951812, Re: Continental Airlines FGIC Policy #06030067 or to such other office or account as FGIC may direct by written notice given at least one Business Day prior to such date to Continental. In the event that the date of any payment to the Policy Provider or the expiration of any time period hereunder occurs on a day that is not a Business Day, then such payment shall be made, or such expiration of time period shall occur, on the next succeeding Business Day with the same force and effect as if such payment was made or time period expired on the scheduled date of payment or expiration date, as applicable.

(b) Unless otherwise specified herein, the Policy Provider shall be entitled to interest on all amounts owed to the Policy Provider under this Insurance Agreement, from the date such amounts become due and payable until paid in full, at a rate of interest equal to the applicable Stated Interest Rate for the Class G Certificates plus 2%.

(c) Unless otherwise specified herein, interest payable to the Policy Provider under this Insurance Agreement shall be calculated on the basis of a 360 day year and the actual number of days elapsed during the period for which such interest accrues.

Section 3.06 Payment by Subordination Agent. (a) All of the fees, expenses and disbursements set forth in Section 3.02 shall be payable by Continental as provided in such Section. To the extent of Continental's failure to pay any such fees, expenses and disbursements, the Subordination Agent shall pay such amounts pursuant to the Operative Documents.

(b) Notwithstanding anything herein to the contrary, all payments to be made by the Subordination Agent under this Section 3.06 shall be made only from the amounts that constitute Scheduled Payments, Special Payments or payments to which FGIC is entitled under Section 8 of the Note Purchase Agreement and only to the extent that the Subordination Agent shall have sufficient income or proceeds therefrom to enable the Subordination Agent to make payments in accordance with the terms of the Intercreditor Agreement. The Policy Provider agrees that with respect to payments to be made by the Subordination Agent (i) it will look solely to such amount to the extent available for distribution to it as provided in the Intercreditor Agreement and (ii) the Subordination Agent, in its individual capacity, is not personally liable to it for any amounts payable or liability under this Insurance Agreement except as expressly provided in the Intercreditor Agreement.

ARTICLE IV.

FURTHER AGREEMENTS

Section 4.01 Effective Date; Term of the Insurance Agreement. This Insurance Agreement shall take effect on the Closing Date and shall remain in effect until the later of (a) such time as the Policy Provider is no longer subject to a claim under the Policy and the Policy shall have been surrendered to the Policy Provider for cancellation and (b) all amounts payable to the Policy Provider by Continental or the Subordination Agent hereunder or from any other source hereunder or under the Operative Documents and all amounts payable under the Class G Certificates have been paid in full; provided, however, that the provisions of Section 3.04 hereof shall survive any termination of this Insurance Agreement.

Section 4.02 Further Assurances and Corrective Instruments.

(a) Neither Continental nor the Subordination Agent shall grant any waiver of rights or agree to any amendment or modification to any of the Operative Documents to which either of them is a party which waiver, amendment, or modification would have an adverse effect on the rights or remedies of the Policy Provider without the prior written consent of the Policy Provider so long as the Policy Provider shall be the Controlling Party, and any such waiver without prior written consent of the Policy Provider shall be null and void and of no force or effect.

(b) To the extent permitted by law, each of Continental and the Subordination Agent agrees that it will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as the Policy Provider may reasonably request and as may be required in the Policy Provider's reasonable judgment to effectuate the intention of or facilitate the performance of this Insurance Agreement.

Section 4.03 Obligations Absolute.

(a) The obligations of Continental, the Subordination Agent and the Class G Trustee hereunder shall be absolute and unconditional and shall be paid or performed strictly in accordance with this Insurance Agreement under all circumstances irrespective of:

- (i) any lack of validity or enforceability of, or any amendment or other modifications of, or waiver, with respect to any of the Operative Documents (other than the Policy) or the Certificates;
- (ii) any exchange or release of any other obligations hereunder;
- (iii) the existence of any claim, setoff, defense, reduction, abatement or other right that any Person may have at any time against the Policy Provider or any other Person;
- (iv) any document presented in connection with the Policy proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect;
- (v) any payment by the Policy Provider under the Policy against presentation of a certificate or other document that does not strictly comply with the terms of the Policy;
- (vi) any failure of Continental to receive the proceeds from the sale of the Certificates; and
- (vii) any other circumstances, other than payment in full, that might otherwise constitute a defense available to, or discharge of, any Person in respect of any Operative Documents.

(b) Each of the parties hereto renounces the right to assert as a defense to the performance of their respective obligations herein each of the following: (i) to the extent permitted by law, any and all redemption and exemption rights and the benefit of all valuation and appraisal privileges against the indebtedness and obligations evidenced by any Operative Documents or by any extension or renewal thereof; (ii) presentment and demand for payment, notices of nonpayment and of dishonor, protest of dishonor and notice of protest; (iii) all notices in connection with the delivery and acceptance hereof and all other notices in connection with the performance, default or enforcement of any payment hereunder, except as required by the Operative Documents; and (iv) all rights of abatement, diminution, postponement or deduction, or to any defense, or to any right of setoff or recoupment arising out of any breach under any of the Operative Documents, by any party thereto or any beneficiary thereof, or out of any obligation at any time owing to Continental.

(c) Continental (i) agrees that any consent, waiver or forbearance hereunder or under the Operative Documents with respect to an event shall operate only for such event and not for any subsequent event; (ii) consents to any and all extensions of time that may be granted to Continental by the Policy Provider with respect to any payment hereunder or other provisions hereof; and (iii) consents to the addition of any and all other makers, endorsers, guarantors and other obligors for any payment hereunder, and to the acceptance of any and all other security for any payment hereunder, and agree that the addition of any such obligors or security shall not affect the liability of Continental for any payment hereunder.

(d) No failure by the Policy Provider to exercise, and no delay by the Policy Provider in exercising, any right hereunder or under the Operative Documents shall operate as a waiver thereof. The exercise by the Policy Provider of any right hereunder shall not preclude the exercise of any other right, and the remedies provided herein to the Policy Provider are declared in every case to be cumulative and not exclusive of any remedies provided by law or equity.

(e) Nothing herein shall be construed as prohibiting any party hereto from pursuing any rights or remedies it may have against any Person in a separate legal proceeding.

Section 4.04 Assignments; Reinsurance; Third-Party Rights.

(a) This Insurance Agreement shall be a continuing obligation of the parties hereto and shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. The Subordination Agent, except for any transaction expressly permitted by Section 8.1 of the Intercreditor Agreement, and, except for any transaction expressly permitted by Section 4.07 of the Trust Indenture, Continental may not assign their respective rights under this Insurance Agreement, or delegate any of their duties hereunder, without the prior written consent of the other parties hereto. Any assignments made in violation of this Insurance Agreement shall be null and void.

(b) The Policy Provider shall have the right to grant participation rights in its rights under this Insurance Agreement and to enter into contracts of reinsurance with respect to the Policy upon such terms and conditions as the Policy Provider may in its discretion determine; provided, however, that no such participation or reinsurance agreement or arrangement shall

relieve the Policy Provider of any of its obligations hereunder or under the Policy or grant to any participant or reinsurer any rights hereunder or under any Operative Document.

(c) Except as provided herein with respect to participants and reinsurers, nothing in this Insurance Agreement shall confer any right, remedy or claim, express or implied, upon any Person, including, particularly, any Class G Certificateholder, other than upon the Policy Provider against Continental, or upon Continental against the Policy Provider, and all the terms, covenants, conditions, promises and agreements contained herein shall be for the sole and exclusive benefit of the parties hereto and their successors and permitted assigns. None of the Subordination Agent, the Primary Liquidity Provider, the Class G Trustee or any Class G Certificateholder shall have any right to payment from the Premium paid or payable hereunder or from any amounts paid by Continental pursuant to Sections 3.02 or 3.03.

Section 4.05 Liability of the Policy Provider. Neither the Policy Provider nor any of its officers, directors or employees shall be liable or responsible for: (a) the use that may be made of the Policy by the Class G Trustee or for any acts or omissions of the Class G Trustee in connection therewith; or (b) the validity, sufficiency, accuracy or genuineness of documents delivered to the Policy Provider in connection with any claim under the Policy, or of any signatures thereon, even if such documents or signatures should in fact prove to be in any or all respects invalid, insufficient, fraudulent or forged (unless the Policy Provider shall have actual knowledge thereof). In furtherance and not in limitation of the foregoing, the Policy Provider may accept documents that appear on their face to be in order, without responsibility for further investigation.

ARTICLE V.

MISCELLANEOUS

Section 5.01 Amendments, Etc. This Insurance Agreement may be amended, modified, supplemented or terminated only by written instrument or written instruments signed by the parties hereto; provided that if such amendment, modification, supplement or termination would have a material adverse affect on the interests of the Subordination Agent, the Class G Trustee or any Class G Certificateholder, Ratings Confirmation shall also be obtained prior to such amendment, modification, supplement or termination being effective. Continental agrees to provide a copy of any amendment to this Insurance Agreement promptly to the Subordination Agent and any rating agency maintaining a rating on the Class G Certificates. No act or course of dealing shall be deemed to constitute an amendment, modification, supplement or termination hereof.

Section 5.02 Notices. All demands, notices and other communications to be given hereunder shall be in writing (except as otherwise specifically provided herein) and shall be mailed by registered mail or personally delivered and telecopied to the recipient as follows:

(a) To the Policy Provider:

Financial Guaranty Insurance Company
125 Park Avenue
New York, New York 10017
Attention: SF Surveillance
Facsimile: (212) 312-3222
Confirmation: (212) 312-3029

(in each case in which notice or other communication to the Policy Provider refers to an event of default under any Operative Document or a claim on the Policy shall be deemed to constitute consent or acceptance, then a copy of such notice or other communication should also be sent to the attention of the general counsel of each of Continental, the Subordination Agent and the Class G Trustee at its respective address set forth below and, in all cases, both any original and all copies shall be marked to indicate "URGENT MATERIAL ENCLOSED.")

(b) To Continental:

Continental Airlines, Inc.
1600 Smith Street
Dept. HQS-FN
Houston, TX 77002
Attention: Treasurer
Facsimile: (713) 324-2447

(c) To the Subordination Agent or the Class G Trustee:

Wilmington Trust Company
Rodney Square North
1100 North Market Street
Wilmington, DE 19890
Attention: Corporate Trust Administration
Facsimile: (302) 651-8882

A party may specify an additional or different address or addresses by writing mailed or delivered to the other parties as aforesaid. All such notices and other communications shall be effective upon receipt unless received after business hours on any day, in which case on the opening of business on the next Business Day.

Section 5.03 Severability. In the event that any provision of this Insurance Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, the parties hereto agree that such holding shall not invalidate or render unenforceable any other provision hereof. The parties hereto further agree that the holding by any court of competent jurisdiction that any remedy pursued by any party hereto is unavailable or unenforceable shall not affect in any way the ability of such party to pursue any other remedy available to it.

Section 5.04 Governing Law. This Insurance Agreement shall be governed by and construed in accordance with the laws of the State of New York, including all matters of construction, validity and performance. This Insurance Agreement is being delivered in New York.

Section 5.05 Consent to Jurisdiction.

(a) The parties hereto hereby irrevocably submit to the non-exclusive jurisdiction of the United States District Court for the Southern District of New York and any court of appropriate jurisdiction in the State of New York located in the City and County of New York, and any appellate court from any thereof, in any action, suit or proceeding brought against it or in connection with any of the Operative Documents or the Transactions or for recognition or enforcement of any judgment, and the parties hereto hereby irrevocably and unconditionally agree that all claims in respect of any such action or proceeding may be heard or determined in such New York state court or, to the extent permitted by law, in such federal court. The parties hereto agree that a final unappealable judgment in any such action, suit or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. To the extent permitted by applicable law, the parties hereto hereby waive and agree not to assert by way of motion, as a defense or otherwise in any such suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of such courts, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that the related documents or the subject matter thereof may not be litigated in or by such courts.

(b) To the extent permitted by applicable law, the parties hereto shall not seek and hereby waive the right to any review of the judgment of any such court by any court of any other nation or jurisdiction which may be called upon to grant an enforcement of such judgment.

(c) Service on any party may be made by delivering, by U.S. registered mail, messenger or courier service, copies of the summons and complaint and other process which may be served in any suit, action or proceeding to such party addressed to its street address shown in Section 5.02, Attention: General Counsel, and such service shall be effective service of process for any litigation brought against such party in any court. Such address may be changed by such party by written notice to the other parties hereto.

(d) Nothing contained in this Insurance Agreement shall limit or affect any party's right to serve process in any other manner permitted by law or to start legal proceedings relating to any of the Operative Documents against any other party or its properties in the courts of any jurisdiction.

Section 5.06 Consent of the Policy Provider. No disclosure relating to the Policy Provider contained in the Preliminary Prospectus Supplement or the Final Prospectus Supplement, which disclosure modifies, alters, changes, amends or supplements the disclosure relating to the Policy Provider provided by the Policy Provider for use therein, shall be made without the Policy Provider's prior written consent. In the event that the consent of the Policy Provider is required under any of the Operative Documents, the determination whether to grant

or withhold such consent shall be made by the Policy Provider in its sole discretion without any implied duty towards any other Person, except as otherwise expressly provided therein.

Section 5.07 Counterparts. This Insurance Agreement may be executed in counterparts by the parties hereto, and all such counterparts shall constitute one and the same instrument.

Section 5.08 Headings. The headings of Articles and Sections and the Table of Contents contained in this Insurance Agreement are provided for convenience only. They form no part of this Insurance Agreement and shall not affect its construction or interpretation.

Section 5.09 Trial by Jury Waived. Each party hereby waives, to the fullest extent permitted by law, any right to a trial by jury in respect of any litigation arising directly or indirectly out of, under or in connection with this Insurance Agreement. Each party hereto (A) certifies that no representative, agent or attorney of any party hereto has represented, expressly or otherwise, that it would not, in the event of litigation, seek to enforce the foregoing waiver and (B) acknowledges that it has been induced to enter into the Operative Documents to which it is a party by, among other things, this waiver.

Section 5.10 Limited Liability. No recourse under any Operative Document shall be had against, and no personal liability shall attach to, any officer, employee, director, affiliate or shareholder of any party hereto, as such, by the enforcement of any assessment or by any legal or equitable proceeding, by virtue of any statute or otherwise in respect of any of the Operative Documents, the Certificates or the Policy, it being expressly agreed and understood that each Operative Document is solely an obligation of each party hereto, and that any and all personal liability, either at common law or in equity, or by statute or constitution, of every such officer, employee, director, affiliate or shareholder for breaches of any party hereto of any obligations under any Operative Document is hereby expressly waived as a condition of and in consideration for the execution and delivery of this Insurance Agreement.

Section 5.11 Entire Agreement. This Insurance Agreement, the Policy, the Policy Fee Letter and the other Operative Documents set forth the entire agreement between the parties with respect to the subject matter hereof and thereof, and supersede and replace any agreement or understanding that may have existed between the parties prior to the date hereof in respect of such subject matter.

Section 5.12 Independent Agreements. This Insurance Agreement and the Policy are separate and independent agreements and nothing herein shall be construed to vary or otherwise modify any term of the Policy. No breach by any party hereto of any representation, warranty, covenant, agreement or undertaking contained herein shall in any way affect the obligations of the Policy Provider under the Policy.

Section 5.13 Successors and Assigns. This Insurance Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, all as of the day and year first above mentioned.

FINANCIAL GUARANTY INSURANCE
COMPANY,
as Policy Provider

By: _____
Name:
Title:

WILMINGTON TRUST COMPANY,
not in its individual capacity but solely as
Subordination Agent and Class G Trustee

By: _____
Name:
Title:

CONTINENTAL AIRLINES, INC.

By: _____
Name:
Title:

FINANCIAL GUARANTY INSURANCE POLICY

June 9, 2006

Policy No. 06030067

Re: **Continental Airlines Pass Through Trust Certificates, Series 2006-1G (the “Class G Certificates”)**

Insured **Payment of interest at the Stated Interest Rate for the Class G Certificates and principal on the Class G Certificates and payment for reimbursement to the Primary Liquidity Provider pursuant to clause (vii) of the definition of**

Obligation: **Deficiency Amount set forth herein.**

Beneficiary: **Wilmington Trust Company, as Subordination Agent for the benefit of the Class G Trustee and the Class G Certificateholders and as agent for the Primary Liquidity Provider (together with any successor subordination agent duly appointed and qualified under the Intercreditor Agreement (as defined below), the “Subordination Agent”)**

FINANCIAL GUARANTY INSURANCE COMPANY (“FGIC”), for consideration received, hereby unconditionally, absolutely and irrevocably guarantees to the Subordination Agent, subject only to the terms of this Policy (the “Policy”), payment of the Insured Obligation. FGIC agrees to pay to the Subordination Agent, in respect of each Distribution Date, an amount equal to (each, a “Deficiency Amount”):

(i) with respect to any Regular Distribution Date (other than the Final Legal Distribution Date), any shortfall in amounts available to the Subordination Agent, after giving effect to the application of (a) available funds in accordance with the subordination provisions of Section 3.2 of the Intercreditor Agreement, (b) any drawing paid under the Primary Liquidity Facility in respect of interest due on the Class G Certificates on such Distribution Date and (c) any withdrawal from the Primary Cash Collateral Account or the Above-Cap Account on such Distribution Date in respect of such interest due on the Class G Certificates on such Distribution Date in accordance with the Intercreditor Agreement, for the payment of all payments due and owing in respect of accrued and unpaid interest on the Class G Certificates at the Stated Interest Rate for the Class G Certificates (calculated assuming that Continental will not cure any Payment Default);

(ii) with respect to any Special Distribution Date (which is not also an Election Distribution Date or a Special Distribution Date established pursuant to the succeeding clause (iii) or clause (iv) below) established by the Subordination Agent by reason of its receipt of a Special Payment constituting the proceeds from the sale of the Series G Equipment Note (as to which there has been a payment default or which has been accelerated) or of the Pledged Spare Parts comprising all of the Pledged Spare Parts subject to the Lien of the Indenture at the time of such sale, as the case may be (each, a

“Disposition”), any shortfall in the amounts available to the Subordination Agent, after giving effect to the application of (a) available funds in accordance with the subordination provisions of Section 3.2 of the Intercreditor Agreement, (b) any drawing paid under the Primary Liquidity Facility in respect of interest due on the Class G Certificates on such Distribution Date and (c) any withdrawal from the Primary Cash Collateral Account or the Above-Cap Account on such Distribution Date in respect of such interest due on the Class G Certificates on such Distribution Date in accordance with the Intercreditor Agreement, for (x) the payment in full of the then outstanding Pool Balance of the Class G Certificates and (y) the payment of accrued and unpaid interest thereon at the Stated Interest Rate for the Class G Certificates for the period from the immediately preceding Regular Distribution Date to such Special Distribution Date (calculated assuming that Continental will not cure any Payment Default);

(iii) with respect to the Special Distribution Date (a) that is the 25th day (or if such 25th day is not a Business Day, the next Business Day) following the Regular Distribution Date on which a Payment Default with respect to the Series G Equipment Note (without giving effect to any Acceleration or any payments by any Liquidity Provider or the Policy Provider) exists and has been continuing for eight consecutive Interest Periods ending on such Regular Distribution Date (the “Default Period”) (regardless of whether the Subordination Agent has received a Special Payment constituting proceeds from any Disposition during such Default Period) and (b) on which such Payment Default continues to exist, the then outstanding principal amount of the Series G Equipment Note (less the amount of any Policy Drawings previously paid by the Policy Provider in respect of principal) plus accrued and unpaid interest thereon at the Stated Interest Rate for the Class G Certificates (calculated assuming that Continental will not cure any Payment Default) for the period from the immediately preceding Regular Distribution Date to such Special Distribution Date; provided, however, if a Policy Provider Election (as defined below) has been made or deemed to have been made at least ten (10) days prior to the end of any such 24-month period, the Deficiency Amount shall be an amount equal to (A) with respect to such Special Distribution Date, any shortfall in the scheduled interest payable but not paid (whether by Continental or by the application of proceeds from the sale of any Collateral in connection with the exercise of remedies under the Indenture) on the Series G Equipment Note (calculated assuming that Continental will not cure any Payment Default) during such 24-month period (reduced by the amount of funds received from FGIC in connection with any prior Policy Drawing in respect of any “Deficiency Amount” defined in clause (ii) above and from the Primary Liquidity Facility, the Primary Cash Collateral Account or the Above-Cap Account or from FGIC to the extent of any Policy Drawings in respect of any “Deficiency Amount” defined in clause (i) above as a result of a failure of the Primary Liquidity Provider to honor Interest Drawings under the Primary Liquidity Facility or a failure of the Above-Cap Liquidity Provider and the Liquidity Guarantor to make an Above-Cap Payment under the Above-Cap Liquidity Facility) and (B) thereafter, on each Regular Distribution Date prior to the establishment of an Election Distribution Date or a Special Distribution Date pursuant to the immediately succeeding clause (iv), an amount equal to any shortfall in available funds required to pay scheduled principal (without regard to any Acceleration thereof or any Redemption Notice that Continental has failed to honor but taking into account any adjustments previously made for redemptions) and

interest payments (without regard to any funds available under the Primary Liquidity Facility, the Primary Cash Collateral Account or the Above-Cap Account and calculated assuming that Continental will not cure any Payment Default) at the Stated Interest Rate for the Class G Certificates scheduled to be paid on the Series G Equipment Note on the related payment date; except that, notwithstanding the foregoing, FGIC shall not be required to pay (x) any amount in respect of principal under this clause (iii)(B) on any Regular Distribution Date if it has theretofore honored Policy Drawings in respect of "Deficiency Amounts" defined in clause (ii) above or this clause (iii) in respect of principal of the Series G Equipment Note or if in connection with the exercise of remedies under the Indenture there has previously been a reduction in the outstanding principal balance of the Series G Equipment Note as a result of the application of proceeds from the sale of Collateral, to the extent that after giving effect to the distribution of any such amount or such proceeds or both in accordance with the provisions of the Intercreditor Agreement the Pool Balance of the Class G Certificates as of such Regular Distribution Date would be less than the Pool Balance of the Class G Certificates as of such Regular Distribution Date were all payments on the Series G Equipment Note to have been made by Continental when due (without regard to any Acceleration thereof or any Redemption Notice that Continental has failed to honor but taking into account any adjustments previously made for redemptions) in accordance with Schedule 1 to such Series G Equipment Note nor (y) for the avoidance of doubt, any amount in respect of interest under this clause (B) on such Regular Distribution Date other than accrued and unpaid interest (at the applicable Stated Interest Rate calculated assuming that Continental will not cure any Payment Default) on the Pool Balance of the Class G Certificates as of such Regular Distribution Date (calculated without giving effect to any Policy Drawing in respect of principal under this clause (iii)(B) on such Regular Distribution Date);

(iv) following the giving or deemed giving of any Policy Provider Election, with respect to any Business Day (other than a Regular Distribution Date) elected by FGIC upon twenty (20) days prior written notice (which shall be a Special Distribution Date) and upon request by FGIC to the Subordination Agent to make a drawing under this Policy, an amount (as determined after giving effect to the application of available funds in accordance with the subordination provisions of Section 3.2 of the Intercreditor Agreement) equal to the then outstanding Pool Balance of the Class G Certificates and accrued and unpaid interest on such amount at the Stated Interest Rate for the Class G Certificates (calculated assuming that Continental will not cure any Payment Default) from the immediately preceding Regular Distribution Date to such Special Distribution Date;

(v) with respect to any Special Distribution Date which is an Election Distribution Date, an amount (as determined after giving effect to the application of available funds in accordance with the subordination provisions of Section 3.2 of the Intercreditor Agreement) equal to the then outstanding Pool Balance of the Class G Certificates and accrued and unpaid interest on such amount at the Stated Interest Rate for the Class G Certificates (calculated assuming that Continental will not cure any Payment Default) from the immediately preceding Regular Distribution Date to such Election Distribution Date;

(vi) with respect to the Final Legal Distribution Date of the Class G Certificates, any shortfall in amounts available to the Subordination Agent, after giving effect to the application of (a) available funds in accordance with the subordination provisions of Section 3.2 of the Intercreditor Agreement, (b) any drawing paid under the Primary Liquidity Facility in respect of interest due on the Class G Certificates on such Distribution Date and (c) any withdrawal from the Primary Cash Collateral Account or the Above-Cap Account on such Distribution Date in respect of such interest due on the Class G Certificates on such Distribution Date in accordance with the Intercreditor Agreement, for the payment in full of the Final Distributions (calculated as of such date but excluding any accrued and unpaid Premium and calculated assuming that Continental will not cure any Payment Default) on the Class G Certificates; and

(vii) with respect to any Distribution Date elected by the Subordination Agent on behalf of the Primary Liquidity Provider upon twenty (20) days' prior notice (which notice can be given in advance of the expiry of the 24-month period referred to below but cannot become effective until the Liquidity Provider Reimbursement Date (as defined below)) to FGIC, which Distribution Date is a Business Day no earlier than the earliest to occur of (1) the date on which an Interest Drawing was made under the Primary Liquidity Facility and remains unreimbursed for twenty-four (24) months, (2) the date on which any Downgrade Drawing, Non-Extension Drawing or Final Drawing that was deposited into the Primary Cash Collateral Account has been applied to pay any scheduled payment of interest on the Class G Certificates and remains unreplenished to the Primary Cash Collateral Account or unreimbursed to the Primary Liquidity Provider, as the case may be, for twenty-four (24) months and (3) the date on which all of the Equipment Notes have been accelerated and remain unpaid for twenty-four (24) months (in each case, disregarding any reimbursements from payments by the Policy Provider and from any Special Payment constituting proceeds from the sale of Equipment Notes or Collateral during such 24-month period) (such Business Day, the "Liquidity Provider Reimbursement Date"), the amount of all outstanding drawings under the Primary Liquidity Facility plus accrued interest thereon (as determined pursuant to the Primary Liquidity Facility).

If any amount paid or required to be paid in respect of the Insured Obligation is voided (a "Preference Event") pursuant to a final (non-appealable) order of a court of competent jurisdiction under any applicable bankruptcy, insolvency, receivership or similar law in an Insolvency Proceeding, and, as a result of such a Preference Event, the Beneficiary, the Primary Liquidity Provider, the Class G Trustee or any Class G Certificateholder is required to return such voided payment, or any portion of such voided payment made or to be made in respect of the Class G Certificates (including any disgorgement from the Class G Certificateholders, the Class G Trustee or the Primary Liquidity Provider resulting from any such Insolvency Proceeding, whether such disgorgement is determined on a theory of preferential conveyance or otherwise) (an "Avoided Payment"), FGIC will pay an amount equal to each such Avoided Payment, irrevocably, absolutely and unconditionally, upon receipt by FGIC from the Beneficiary, the Primary Liquidity Provider, the Class G Trustee or such Class G Certificateholder of (x) a certified copy of a final (non-appealable) order of a court of competent jurisdiction in such Insolvency Proceeding to the effect that the Beneficiary, the Primary Liquidity Provider, the Class G Trustee or such Class G Certificateholder is required to return

any such payment or portion thereof because such payment was voided under applicable law, with respect to which order the appeal period has expired without an appeal having been filed (the “Order”), (y) an assignment, in the form of Exhibit D hereto, irrevocably assigning to FGIC all rights and claims of the Beneficiary, the Primary Liquidity Provider, the Class G Trustee or such Class G Certificateholder relating to or arising under such Avoided Payment and appointing FGIC as the agent of the Beneficiary, the Primary Liquidity Provider, the Class G Trustee or such Class G Certificateholder in respect of such Avoided Payment (including, without limitation, for purposes of any legal proceedings related to such Avoided Payment) and (z) a Notice of Avoided Payment in the form of Exhibit B hereto appropriately completed and executed by the Beneficiary, the Primary Liquidity Provider, the Class G Trustee or such Class G Certificateholder. Such payment shall be disbursed to the receiver, conservator, debtor-in-possession or trustee in bankruptcy named in the Order and not to the Beneficiary, the Primary Liquidity Provider, the Class G Trustee or such Class G Certificateholder directly unless such Beneficiary, the Primary Liquidity Provider, the Class G Trustee or such Class G Certificateholder has returned such payment to such receiver, conservator, debtor-in-possession or trustee in bankruptcy, in which case such payment shall be disbursed to the Beneficiary, the Primary Liquidity Provider, the Class G Trustee or such Class G Certificateholder, as the case may be, upon proof of such payment reasonably satisfactory to FGIC.

Notwithstanding the foregoing, in no event shall FGIC be obligated to make any payment in respect of any Avoided Payment, which payment represents a payment of the principal amount of the Class G Certificates, prior to the time FGIC would have been required to make a payment in respect of such principal pursuant to sub-paragraphs (ii)-(vi) of the definition of Deficiency Amount in this Policy; provided, further, that no payment of principal under this Policy (not including any payment of outstanding drawings under the Primary Liquidity Facility pursuant to sub-paragraph (vii) of the definition of Deficiency Amount under this Policy) on any Distribution Date, other than with respect to an Avoided Payment, shall exceed the Net Principal Policy Amount (as defined below) for such Distribution Date; provided, further, that no payment, other than with respect to an Avoided Payment, of a Deficiency Amount (not including any payment of outstanding drawings under the Primary Liquidity Facility and accrued interest thereon pursuant to sub-paragraph (vii) of the definition of Deficiency Amount under this Policy) shall be in excess of the then outstanding principal balance of the Class G Certificates and accrued and unpaid interest thereon at the Stated Interest Rate applicable thereto. This Policy does not cover (i) any premium (including, without limitation, any Premium), break amount (including, without limitation, any Break Amount), interest on interest (for the avoidance of doubt, without limiting sub-paragraph (vii) of the definition of Deficiency Amount under this Policy), default interest, prepayment penalty or other accelerated payment, which at any time may become due on or with respect to any Class G Certificate, (ii) shortfalls, if any, attributable to the liability of the Class G Trust, the Class G Trustee or the Subordination Agent, for withholding taxes, if any (including interest and penalties in respect of any such liability) or (iii) any failure of the Subordination Agent to make any payment due to the Class G Trustee.

Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to them in that certain Intercreditor Agreement, dated as of June 9, 2006 (the “Intercreditor Agreement”), among FGIC, as Policy Provider, Morgan Stanley Bank, as Primary Liquidity Provider, Morgan Stanley Capital Services Inc., as Above-Cap Liquidity Provider, Wilmington Trust Company, as trustee, and the Subordination Agent, without regard to any

amendment or supplement thereto unless such amendment or supplement has been executed, or otherwise approved in writing, by FGIC.

“Business Day” means any day (i) other than a Saturday or Sunday or a day on which insurance companies in New York, New York or commercial banks are required or authorized to close in Houston, Texas, New York, New York, or, so long as any Certificate is outstanding, the city and state in which any Trustee, the Fiscal Agent (as defined herein), the Subordination Agent or the Mortgagee maintains its Corporate Trust Office or, solely with respect to draws under this Policy, the city and state in which the office of FGIC specified in this Policy is located and (ii) that is a day for trading by and between banks in the London interbank Eurodollar market.

“Class G Certificateholder” shall mean any person who is the registered owner or beneficial owner of any of the Class G Certificates and who, on the applicable Distribution Date, is entitled under the terms of the Class G Certificates to payment thereunder.

“Continental” means Continental Airlines, Inc.

“Election Distribution Date” shall mean any Special Distribution Date established by the Subordination Agent upon 20 days’ notice to the Policy Provider by reason of the occurrence and continuation of a Policy Provider Default occurring after a Policy Provider Election.

“Final Legal Distribution Date” shall mean June 2, 2015.

“Insolvency Proceeding” means the commencement, after the date hereof, of any bankruptcy, insolvency, readjustment of debt, reorganization, marshalling of assets and liabilities or similar proceedings by or against Continental or any Liquidity Provider and the commencement, after the date hereof, of any proceedings by Continental or any Liquidity Provider for the winding up or liquidation of its affairs or the consent, after the date hereof, to the appointment of a trustee, conservator, receiver, or liquidator in any bankruptcy, insolvency, readjustment of debt, reorganization, marshalling of assets and liabilities or similar proceedings of or relating to Continental or any Liquidity Provider.

“Insurance Agreement” shall mean the Insurance and Indemnity Agreement (as may be amended, modified or supplemented from time to time in accordance with its terms), dated as of June 9, 2006 by and among FGIC, Continental, Wilmington Trust Company, as trustee, and the Subordination Agent.

“Insured Amounts” shall mean, with respect to any Distribution Date, the Deficiency Amount for such Distribution Date.

“Net Principal Policy Amount” shall mean, with respect to any Distribution Date, the Pool Balance of the Class G Certificates as of the Closing Date minus all amounts previously drawn on this Policy with respect to principal of the Class G Certificates as of such Distribution Date.

“Notice of Avoided Payment” shall mean the notice, substantially in the form of Exhibit B hereto, delivered pursuant to this Policy and sent to the contact person at the address and/or fax number set forth in this Policy, and specifying the Avoided Payment which shall be due and owing on the applicable Distribution Date.

“Notice of Nonpayment” shall mean the notice, substantially in the form of Exhibit A hereto, delivered pursuant to this Policy and sent to the contact person at the address and/or fax numbers set forth in this Policy specifying the Insured Amount which shall be due and owing to the Subordination Agent for distribution to the Class G Trustee or, in the case of a Deficiency Amount under clause (vii) of the definition of “Deficiency Amount”, the Primary Liquidity Provider on the applicable Distribution Date.

“Policy Provider Election” shall mean a notice given or deemed to have been given by FGIC when no Policy Provider Default shall have occurred and be continuing, whereby FGIC elects or is deemed to have elected to make payments of Deficiency Amounts as defined under the proviso to clause (iii) of the definition of Deficiency Amount in lieu of applying clause (iii) (without the proviso) of the definition of Deficiency Amount, which notice may be given to the Subordination Agent no later than the date which is ten (10) days prior to the end of the 24-month Default Period referred to under clause (iii) of the definition of Deficiency Amount, and shall be deemed to have been given on such date, unless (x) FGIC shall have affirmatively elected by notice to the Subordination Agent to not make such election on or prior to such day or (y) a Policy Provider Default shall have occurred and be continuing as of such day.

Payment of amounts hereunder shall be made in immediately available funds (x) with respect to Deficiency Amounts no later than 3:00 p.m., New York City time, on the later of (a) the relevant Distribution Date and (b) the Business Day on which a Notice of Nonpayment is received by FGIC, or, if a fiscal agent shall have been appointed by FGIC and written notice of such appointment (together with pertinent address and notice information) shall have been delivered to the Beneficiary, then by such fiscal agent or any successor fiscal agent appointed by FGIC (the “Fiscal Agent”), appropriately completed and executed by the Beneficiary (if such Notice of Nonpayment is received by 12:00 noon on such day), and (y) with respect to Avoided Payments, prior to 3:00 p.m., New York City time, on the third Business Day following receipt by FGIC of the documents required under clauses (x) through (z) of the second full paragraph of this Policy. Any such documents received by FGIC after 12:00 noon New York City time on any Business Day or on any day that is not a Business Day shall be deemed to have been received by FGIC prior to 12:00 noon on the next succeeding Business Day. All payments made by FGIC hereunder in respect of Avoided Payments will be made with FGIC’s own funds. A Notice of Nonpayment or Notice of Avoided Payment under this Policy may be presented to FGIC or the Fiscal Agent, as the case may be, on any Business Day by (a) delivery of the original Notice of Nonpayment or Notice of Avoided Payment to FGIC or the Fiscal Agent, as the case may be, at its address set forth below, or (b) facsimile transmission of the original Notice of Nonpayment or Notice of Avoided Payment to FGIC or the Fiscal Agent, as the case may be, at its facsimile number set forth below. If presentation is made by facsimile transmission, the Beneficiary shall (i) simultaneously confirm transmission by telephone to FGIC or the Fiscal Agent, as the case may be, at its telephone number set forth below, and (ii) as soon as reasonably practicable, deliver the original Notice of Nonpayment or Notice of Avoided Payment to FGIC or the Fiscal Agent, as the case may be, at its address set forth below. Each

Notice of Nonpayment or Notice of Avoided Payment delivered to the Fiscal Agent shall be delivered simultaneously by facsimile and mail to FGIC. Each Notice of Nonpayment or Notice of Avoided Payment delivered to FGIC shall be delivered simultaneously by facsimile and mail to the Fiscal Agent.

If any Notice of Nonpayment or Notice of Avoided Payment received by FGIC or the Fiscal Agent, as the case may be, is not in proper form or is otherwise insufficient for the purpose of making a claim hereunder, it shall be deemed not to have been received by FGIC or the Fiscal Agent, as the case may be, and FGIC or the Fiscal Agent, as the case may be, shall promptly so advise the Beneficiary, and the Beneficiary may submit an amended Notice of Nonpayment or Notice of Avoided Payment, as the case may be.

Payments due hereunder unless otherwise stated herein will be disbursed by FGIC or the Fiscal Agent, as the case may be, to the Subordination Agent for the benefit of the Class G Trustee or the Primary Liquidity Provider by wire transfer of immediately available funds in the amount of such payment. Other than amounts payable in respect of Avoided Payments, FGIC's obligations under this Policy shall be discharged to the extent funds to be applied to pay the Insured Obligations under and in accordance with the Intercreditor Agreement are received by the Subordination Agent (including funds disbursed by FGIC or the Fiscal Agent, as the case may be, as provided in this Policy and received by the Subordination Agent) whether or not such funds are properly applied by the Subordination Agent. FGIC's obligations to make payments in respect of any Avoided Payments shall be discharged to the extent such payments are made by FGIC or the Fiscal Agent, as the case may be, hereunder and are received by the Subordination Agent, the applicable Class G Certificateholder, the Class G Trustee, the Primary Liquidity Provider or the receiver, conservator, debtor-in-possession or trustee in bankruptcy as applicable, whether or not such payments are properly applied by the Subordination Agent.

The Fiscal Agent is the agent of FGIC only, and the Fiscal Agent shall in no event be liable to Certificateholders for any acts of the Fiscal Agent or any failure of FGIC to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

Any notice hereunder delivered to FGIC may be made at the address listed below for FGIC or such other address as FGIC shall specify in writing to the Subordination Agent.

Any notice hereunder delivered to the Fiscal Agent may be made at such address as FGIC may specify in writing from time to time to the Subordination Agent.

All notices, presentations, transmissions, deliveries and communications made by the Beneficiary to FGIC with respect to this Policy shall specifically refer to the number of this Policy and shall be made to FGIC at:

Financial Guaranty Insurance Company
125 Park Avenue
New York, New York 10017
Attention: SF Surveillance
Telephone: (212) 312-3029
Facsimile: (212) 312-3222

or such other address, telephone number or facsimile number as FGIC may designate to the Beneficiary in writing from time to time. Each such notice, presentation, transmission, delivery and communication shall be effective only upon actual receipt by FGIC.

To the extent and in the manner specified in the Intercreditor Agreement, FGIC shall be subrogated to the rights of the Class G Trustee, each Class G Certificateholder and the Primary Liquidity Provider, as the case may be, to receive payments under the Class G Certificates and, as applicable, pursuant to the Primary Liquidity Facility to the extent of any payment made by it hereunder.

This Policy is neither transferable nor assignable, in whole or in part, except to a successor Subordination Agent duly appointed and qualified under the Intercreditor Agreement. Such transfer and assignment shall be effective upon receipt by FGIC of a copy of the instrument effecting such transfer and assignment signed by the transferor and by the transferee, and a certificate, properly completed and signed by the transferor and the transferee, in the form of Exhibit C hereto (which shall be conclusive evidence of such transfer and assignment), and, in such case, the transferee instead of the transferor shall, without the necessity of further action, be entitled to all the benefits of and rights under this Policy in the transferor's place, provided that, in such case, the Notice of Nonpayment presented hereunder shall be a certificate of the transferee and shall be signed by one who states therein that he is a duly authorized officer of the transferee.

There shall be no acceleration payment due under this Policy unless such acceleration is at the sole option of FGIC, in accordance with the definition of Deficiency Amount in this Policy.

This Policy shall expire and terminate and the obligations of FGIC hereunder shall be discharged without any action on the part of FGIC or any other Person on the later of (x) the day which is one year and one day following the Distribution Date upon which the Final Distributions on the Class G Certificates are made or (y) if applicable, the date on which the amount specified in sub-paragraph (vii) of the definition of Deficiency Amount under this Policy is paid in full. The foregoing notwithstanding, if an Insolvency Proceeding is existing during the one year and one day period set forth above, then this Policy and FGIC's obligations hereunder shall terminate on the later of (i) the date of the conclusion or dismissal of such Insolvency Proceeding without continuing jurisdiction by the court in such Insolvency Proceeding, and (ii) the date on which FGIC has made all payments required to be made under the terms of this Policy in respect of Avoided Payments. Notwithstanding the foregoing, this Policy shall terminate and the obligations of FGIC hereunder shall be discharged without any further action on the part of FGIC, the Beneficiary or any other Person if the Policy is returned to the Policy Provider for cancellation by the Class G Certificateholders pursuant to Section 5.01 of the Class G Trust Agreement.

This Policy is not covered by the property/casualty insurance fund specified in Article Seventy-Six of the New York State insurance law.

This Policy sets forth in full the undertaking of FGIC, and, except as expressly provided in the Insurance Agreement and the Intercreditor Agreement, shall not be modified,

altered or affected by any other agreement or instrument, including any modification or amendment to any other agreement or instrument, or by the merger, consolidation or dissolution of Continental or any other Person and may not be canceled or revoked by FGIC prior to the time it is terminated in accordance with the express terms hereof. The premium payable to FGIC on this Policy is not refundable for any reason.

This Policy shall be returned to FGIC upon termination.

To the fullest extent permitted by applicable law, FGIC hereby waives, solely for the benefit of the Class G Certificateholders and the Primary Liquidity Provider, all defenses of any kind (including, without limitation, the defense of fraud in inducement or fact, any defense based on any duty claimed to arise from the doctrine of "utmost good faith" or any similar or related doctrine or any other circumstances that would have the effect of discharging a surety, guarantor or any other Person in law or in equity) that FGIC otherwise might have asserted as a defense to its obligation to pay in full any amounts that have become due and payable in accordance with the terms and conditions of this Policy. Nothing in this paragraph, however, shall be deemed to constitute a waiver of any rights, remedies, claims or counterclaims that FGIC may have, arising from or in connection with any amount that becomes due and payable for the benefit of the Class G Certificateholders or the Primary Liquidity Provider as described in the preceding sentence, after making payment of such amount, with respect to Continental, any Liquidity Provider, the Subordination Agent, Wilmington Trust Company or any of their respective affiliates or any other Person, whether acquired by subrogation, assignment or otherwise, provided, that such reservation of rights, remedies, claims and counterclaims arising from or in connection with any particular payment shall not include any right to assert any defense of any kind to payment of any subsequent amount that may become due and payable in accordance with the terms and conditions of this Policy.

THIS POLICY SHALL BE CONSTRUED, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED, IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES OR THE APPLICATION OF THE LAWS OF ANY OTHER JURISDICTION.

IN WITNESS WHEREOF, FGIC has caused this Policy to be duly executed on the date first written above.

**FINANCIAL GUARANTY INSURANCE
COMPANY**

President

Assistant Secretary

**NOTICE OF NONPAYMENT AND DEMAND
FOR PAYMENT OF INSURED AMOUNTS**

Date: [_____]

Financial Guaranty Insurance Company
125 Park Avenue
New York, New York 10017
Attention: Martin Joyce

[Fiscal Agent]
[Address of Fiscal Agent]
Attention: [_____]

Reference is made to Policy No. 06030067, dated June 9, 2006 (the "Policy"), issued by Financial Guaranty Insurance Company ("FGIC") with respect to the Continental Airlines Pass Through Trust Certificates, Series 2006-1G. Terms capitalized herein and not otherwise defined shall have the meanings ascribed to such terms in or pursuant to the Policy unless the context otherwise requires or, if not defined therein, in or pursuant to the Intercreditor Agreement (as defined in the Policy).

The Subordination Agent hereby certifies as follows:

1. The Subordination Agent is the subordination agent under the Intercreditor Agreement.

2. The relevant Distribution Date is [_____]. Such Distribution Date is a [Regular Distribution Date, Special Distribution Date, Election Distribution Date or Final Legal Distribution Date].

[3. Payment of accrued and unpaid interest on the Class G Certificates at the Stated Interest Rate for the Class G Certificates (calculated assuming that Continental will not cure any Payment Default) on the outstanding Pool Balance of the Class G Certificates accrued to such Regular Distribution Date as determined pursuant to paragraph (i) of the definition of "Deficiency Amount" in the Policy is an amount equal to \$_____.]

[3. The amount determined for payment to the Class G Certificateholders pursuant to paragraph (ii) of the definition of "Deficiency Amount" in the Policy on such Special Distribution Date in respect of (A) the payment in full of the then outstanding Pool Balance of the Class G Certificates and (B) the payment of accrued and unpaid interest thereon at the Stated Interest Rate for the Class G Certificates for the period from the immediately preceding Regular Distribution Date to such Special Distribution Date (calculated assuming that Continental will not cure any Payment Default) is \$_____.]

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[3. The Subordination Agent has not received, and has not been deemed to have received, a timely Policy Provider Election pursuant to the Policy and the amount determined for payment to the Class G Certificateholders pursuant to paragraph (iii) of the definition of “Deficiency Amount” in the Policy on such Special Distribution Date in respect of the then outstanding principal amount of the Series G Equipment Note (less the amount of any Policy Drawings previously paid by the Policy Provider in respect of principal) plus accrued and unpaid interest thereon at the Stated Interest Rate for the Class G Certificates (calculated assuming that Continental will not cure any Payment Default) for the period from the immediately preceding Regular Distribution Date to such Special Distribution Date is \$_____.]

[3. The Subordination Agent has received, or has been deemed to have received, a timely Policy Provider Election pursuant to the Policy and the amount determined for payment to the Class G Certificateholders pursuant to the provision in paragraph (iii)(A) of the definition of “Deficiency Amount” in the Policy on such Special Distribution Date in respect of the scheduled interest payable but not paid (whether by Continental or by the application of proceeds from the sale of any Collateral in connection with the exercise of remedies under the Indenture) on the Series G Equipment Note (calculated assuming that Continental will not cure any Payment Default) during such 24-month period (reduced by the amount of funds received from FGIC in connection with any prior Policy Drawing in respect of any “Deficiency Amount” defined in clause (ii) of the definition thereof in the Policy and from the Primary Liquidity Facility, the Primary Cash Collateral Account or the Above-Cap Account or from FGIC to the extent of any Policy Drawings in respect of any “Deficiency Amount” defined in clause (i) of the definition thereof in the Policy as a result of a failure of the Primary Liquidity Provider to honor Interest Drawings under the Primary Liquidity Facility or a failure of the Above-Cap Liquidity Provider and the Liquidity Guarantor to make an Above-Cap Payment under the Above-Cap Liquidity Facility) is \$_____.]

[3. The Subordination Agent has received, or has been deemed to have received, a timely Policy Provider Election pursuant to the Policy, no Election Distribution Date has been established pursuant to the Policy, no Special Distribution Date has been established pursuant to clause (iv) of the definition of “Deficiency Amount” and the amount determined for payment to the Class G Certificateholders pursuant to paragraph (iii)(B) of the definition of “Deficiency Amount” in the Policy on the Regular Distribution Date on account of a shortfall in available funds required to pay (x) the scheduled principal payment (without regard to any Acceleration thereof or any Redemption Notice that Continental has failed to honor but taking into account any reduction previously made for redemptions) on such Regular Distribution Date (as limited by the exception to paragraph (iii)(B) of the definition of “Deficiency Amount” in the Policy) is \$_____ and (y) interest payments (without regard to any funds available under the Primary Liquidity Facility, the Primary Cash Collateral Account or the Above-Cap Account and calculated assuming that Continental will not cure any Payment Default) at the Stated Interest Rate for the Class G Certificates scheduled to be paid on the Series G Equipment Note on the related payment date (as limited by the exception to paragraph (iii)(B) of the definition of “Deficiency Amount” in the Policy) is \$_____.]

[3. The Subordination Agent has received, or has been deemed to have received, a timely Policy Provider Election pursuant to the Policy, the Special Distribution Date

related hereto is a Business Day elected by FGIC upon 20 days' prior written notice and the amount determined for payment to the Class G Certificateholders pursuant to paragraph (iv) of the definition of "Deficiency Amount" in the Policy in respect of an amount equal to the then outstanding Pool Balance of the Class G Certificates and accrued and unpaid interest on such amount at the Stated Interest Rate for the Class G Certificates (calculated assuming that Continental will not cure any Payment Default) from the immediately preceding Regular Distribution Date to such Special Distribution Date is \$_____.]

[3. The amount determined for payment to the Class G Certificateholders pursuant to paragraph (v) of the definition of "Deficiency Amount" in the Policy on the Distribution Date which is an Election Distribution Date in respect of an amount equal to the then outstanding Pool Balance of the Class G Certificates and accrued and unpaid interest on such amount at the Stated Interest Rate for the Class G Certificates (calculated assuming that Continental will not cure any Payment Default) from the immediately preceding Regular Distribution Date to such Election Distribution Date is \$_____.]

[3. The amount determined for payment to the Class G Certificateholders pursuant to paragraph (vi) of the definition of "Deficiency Amount" in the Policy on the Distribution Date which is the Final Legal Distribution Date in respect of payment in full of the Final Distributions (calculated as of such date but excluding any accrued and unpaid Premium and calculated assuming that Continental will not cure any Payment Default) on the Class G Certificates is \$_____.]

[3. The amount determined for payment to the Primary Liquidity Provider pursuant to paragraph (vii) of the definition of "Deficiency Amount" in the Policy on the Distribution Date on or after the Liquidity Provider Reimbursement Date elected by the Subordination Agent on behalf of the Primary Liquidity Provider for all outstanding drawings under the Primary Liquidity Facility plus accrued interest thereon (as determined pursuant to the Primary Liquidity Facility) is \$_____.]

4. The sum of \$_____ is the Insured Amount that is due.

5. The Subordination Agent has not heretofore made a demand for the Insured Amount in respect of such Distribution Date.

6. The Subordination Agent hereby requests payment of such Insured Amount that is due for payment be made by FGIC under the Policy and directs that payment under the Policy be made to the following account by bank wire transfer of federal or other immediately available funds in accordance with the terms of the Policy to:

[_____]
ABA #: [_____]
Acct #: [_____]
FBO: [_____]
[Policy Account number]

7. The Subordination Agent hereby agrees that, following receipt of the Insured Amount from FGIC, it shall (a) cause such funds to be deposited in the Policy Account

and not permit such funds to be held in any other account, (b) cause such funds paid by FGIC pursuant to sub-paragraphs (i) through (vi) of the definition of Deficiency Amount under the Policy to be paid to the Subordination Agent for distribution to the Class G Trustee for the distribution to the Class G Certificateholders in payment of the Pool Balance of, or interest on, the Class G Certificates (as applicable) and not apply such funds for any other purpose, (c) cause such funds paid by FGIC pursuant to sub-paragraph (vii) of the definition of Deficiency Amount under the Policy to be paid to the Primary Liquidity Provider for payment of outstanding drawings under the Primary Liquidity Facility and accrued interest thereon and (d) maintain an accurate record of such payments with respect to the Class G Certificates and the Primary Liquidity Provider and the corresponding claim on the Policy and proceeds thereof.

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed Five Thousand Dollars (\$5,000.00) and the stated value of the claim for each such violation.

WILMINGTON TRUST COMPANY,
as Subordination Agent

By: _____
Name: _____
Title: _____

Exh. A-4

**NOTICE OF AVOIDED PAYMENT AND DEMAND
FOR PAYMENT OF AVOIDED PAYMENTS**

Date: [_____]

Financial Guaranty Insurance Company
125 Park Avenue
New York, New York 10017
Attention: Martin Joyce

[Fiscal Agent]
[Address of Fiscal Agent]
Attention: [_____]

Reference is made to Policy No. 06030067, dated June 9, 2006 (the "Policy"), issued by Financial Guaranty Insurance Company ("FGIC") with respect to the Continental Airlines Pass Through Trust Certificates, Series 2006-1G. Terms capitalized herein and not otherwise defined shall have the meanings ascribed to such terms in or pursuant to the Policy unless the context otherwise requires or, if not defined therein, in or pursuant to the Intercreditor Agreement (as defined in the Policy).

The [Class G Certificateholder/Subordination Agent/Class G Trustee/Primary Liquidity Provider] hereby certifies as follows:

1. The Subordination Agent is the subordination agent under the Intercreditor Agreement.

[2. The Subordination Agent has established _____ as a Special Distribution Date pursuant to the Intercreditor Agreement for amounts claimed hereunder.]

3. An Order (as defined in the Policy) providing for the recovery of an Avoided Payment of \$_____ has been issued.

4. \$_____ of the amount set forth in item No. 3 above has been paid by the [Class G Certificateholder/Subordination Agent/Class G Trustee/Primary Liquidity Provider] and \$_____ is required to be paid to the receiver, conservator, debtor-in-possession or trustee in bankruptcy named in the Order.

5. The [Class G Certificateholder/Subordination Agent/Class G Trustee/Primary Liquidity Provider] has not heretofore made a demand for such Avoided Payment.

Exh. B-1

6. The [Class G Certificateholder/Subordination Agent/Class G Trustee/Primary Liquidity Provider] has delivered to FGIC or has attached hereto all documents required by the Policy to be delivered in connection with such Avoided Payment.

7. The [Class G Certificateholder/Subordination Agent/Class G Trustee/Primary Liquidity Provider] hereby requests that payment of \$_____ of such Avoided Payment be made to the receiver, conservator, debtor-in-possession or trustee in bankruptcy named in the Order and \$_____ of such Avoided Payment be paid to the [Class G Trustee] [Subordination Agent for distribution to the Class G Trustee] [Primary Liquidity Provider], in each case, by FGIC under the Policy and directs that payment under the Policy be made to the following account by bank wire transfer of federal or other immediately available funds in accordance with the terms of the Policy to:

For the portion to be paid to the receiver, conservator, debtor-in-possession or trustee, to _____:

ABA #: [_____]
Acct #: [_____]
FBO: [_____]

[relevant account number]

For the portion to be paid to the [Class G Certificateholder/Subordination Agent/Class G Trustee/Primary Liquidity Provider]:

ABA #: [_____]
Acct #: [_____]
FBO: [_____]

[Policy Account Number] [relevant account number]

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed Five Thousand Dollars (\$5,000.00) and the stated value of the claim for each such violation.

[Name of Party Giving Notice]

By: _____
Name:
Title: (Officer)

Date: _____

Financial Guaranty Insurance Company
125 Park Avenue
New York, New York 10017
Attention: Martin Joyce

Dear Sirs:

Reference is made to that certain Policy, Number 06030067, dated June 9, 2006 (the "Policy"), which has been issued by Financial Guaranty Insurance Company in favor of the Subordination Agent with respect to the Continental Airlines Pass Through Trust Certificates, Series 2006-1G.

The undersigned [Name of Transferor] has transferred and assigned (and hereby confirms to you said transfer and assignment) all of its rights in and under said Policy to [Name of Transferee] and confirms that [Name of Transferor] no longer has any rights under or interest in said Policy.

Transferor and Transferee have indicated on the face of said Policy that it has been transferred and assigned to Transferee.

Transferee hereby certifies that it is a duly authorized transferee under the terms of said Policy and is accordingly entitled, upon presentation of the document(s) called for therein, to receive payment thereunder.

[Name of Transferor]

By: _____

[Name and Title of Authorized Officer of
Transferor]

Exh. C-1

Form of Assignment

Reference is made to that certain Policy No. 06030067, dated June 9, 2006 (the "Policy"), issued by Financial Guaranty Insurance Company ("FGIC") relating to the Continental Airlines Pass Through Trust Certificates, Series 2006-1G. Unless otherwise defined herein, capitalized terms used in this Assignment shall have the meanings assigned thereto in the Policy as incorporated by reference therein. In connection with the Avoided Payment of [\$_____] paid by the undersigned (the "[Class G Certificateholder/Beneficiary/Class G Trustee/Primary Liquidity Provider]") on [_____] and the payment by FGIC in respect of such Avoided Payment pursuant to the Policy, the [Class G Certificateholder/Beneficiary/Class G Trustee/Primary Liquidity Provider] hereby irrevocably and unconditionally, without recourse, representation or warranty (except as provided below), sells, assigns, transfers, conveys and delivers to FGIC all of such [Class G Certificateholder's/Beneficiary's/Class G Trustee's/Primary Liquidity Provider's] rights, title and interest in and to any rights or claims, whether accrued, contingent or otherwise, which the [Class G Certificateholder/Beneficiary/Class G Trustee/Primary Liquidity Provider] now has or may hereafter acquire, against any person relating to, arising out of or in connection with such Avoided Payment. The [Class G Certificateholder/Beneficiary/Class G Trustee/Primary Liquidity Provider] represents and warrants that such claims and rights are free and clear of any lien or encumbrance created or incurred by such [Class G Certificateholder/Beneficiary/Class G Trustee/Primary Liquidity Provider]. In addition, the [Class G Certificateholder/Beneficiary/Class G Trustee/Primary Liquidity Provider] hereby irrevocably appoints FGIC as its agent and attorney-in-fact to take any and all action necessary in connection with the foregoing assignment (including, without limitation, for purposes of any legal proceeding related to such Avoided Payment).¹

[Class G Certificateholder/Beneficiary/Class G
Trustee/Primary Liquidity Provider]

By: _____

Name: _____

Title: _____

¹ In the event that the terms of this form of assignment are reasonably determined to be insufficient solely as a result of a change of law or applicable rules after the date of the Policy to fully vest all of the [Class G Certificateholder's/Beneficiary's/Class G Trustee's/Primary Liquidity Provider's] right, title and interest in such rights and claims, the [Class G Certificateholder/Beneficiary/Class G Trustee/Primary Liquidity Provider] and FGIC shall agree on such other form as is reasonably necessary to effect such assignment, which assignment shall be without recourse, representation or warranty except as provided above.

INTERCREDITOR AGREEMENT
(2006-1)

Dated as of
June 9, 2006

AMONG

WILMINGTON TRUST COMPANY,
not in its individual capacity
but solely as Trustee under the
Continental Airlines Pass Through Trust 2006-1G
and
Continental Airlines Pass Through Trust 2006-1B,

MORGAN STANLEY BANK,
as Primary Liquidity Provider,

MORGAN STANLEY CAPITAL SERVICES INC.,
as Above-Cap Liquidity Provider

FINANCIAL GUARANTY INSURANCE COMPANY,
as Policy Provider

AND

WILMINGTON TRUST COMPANY,
not in its individual capacity except
as expressly set forth herein but
solely as Subordination Agent and Trustee

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INTERCREDITOR AGREEMENT

INTERCREDITOR AGREEMENT dated as of June 9, 2006, among WILMINGTON TRUST COMPANY, a Delaware banking corporation ("WTC"), not in its individual capacity but solely as Trustee of each Trust (each as defined below); MORGAN STANLEY BANK, a Utah industrial bank, as Primary Liquidity Provider, MORGAN STANLEY CAPITAL SERVICES INC., a Delaware corporation, as Above-Cap Liquidity Provider; FINANCIAL GUARANTY INSURANCE COMPANY, a stock insurance corporation incorporated under the laws of the State of New York, as Policy Provider; and WILMINGTON TRUST COMPANY, not in its individual capacity except as expressly set forth herein, but solely as Subordination Agent and trustee hereunder (in such capacity, together with any successor appointed pursuant to Article VIII hereof, the "Subordination Agent").

WHEREAS, all capitalized terms used herein shall have the respective meanings referred to in Article I hereof;

WHEREAS, pursuant to the Indenture, Continental will issue on a recourse basis up to (and including) two series of Equipment Notes secured by the Pledged Spare Parts;

WHEREAS, pursuant to the Note Purchase Agreement, each Trust will acquire the Equipment Note having an interest rate equal to the interest rate applicable to the Certificates to be issued by such Trust;

WHEREAS, pursuant to each Trust Agreement, the Trust created thereby proposes to issue a single class of Certificates (a "Class") bearing the interest rate and having the final distribution date described in such Trust Agreement on the terms and subject to the conditions set forth therein;

WHEREAS, pursuant to the Underwriting Agreement, the Underwriter proposes to purchase the Class G Certificates issued by the Class G Trust and the Class B Certificates issued by the Class B Trust in the aggregate face amount set forth opposite the name of such Trust on Schedule I thereto on the terms and subject to the conditions set forth therein;

WHEREAS, the Primary Liquidity Provider proposes to enter into a revolving credit agreement relating to the Class G Certificates and the Above-Cap Liquidity Provider proposes to enter into an irrevocable interest rate cap agreement relating to the Class G Certificates, in each case with the Subordination Agent, as agent for the Class G Trustee, for the benefit of the Class G Certificateholders;

WHEREAS, the Policy Provider proposes to enter into the Policy Provider Agreement providing for the issuance by the Policy Provider of the Policy for the benefit of the Class G Certificateholders; and

WHEREAS, it is a condition precedent to the obligations of the Underwriter under the Underwriting Agreement that the Subordination Agent, the Trustees, the Liquidity

Providers and the Policy Provider agree to the terms of subordination set forth in this Agreement in respect of each Class of Certificates, and the Subordination Agent, the Trustees, the Liquidity Providers and the Policy Provider, by entering into this Agreement, hereby acknowledge and agree to such terms of subordination and the other provisions of this Agreement.

NOW, THEREFORE, in consideration of the mutual agreements herein contained, and of other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.1. Definitions. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

- (1) the terms used herein that are defined in this Article have the meanings assigned to them in this Article, and words importing the plural include the singular and words importing the singular include the plural;
- (2) all references in this Agreement to designated "Articles", "Sections" and other subdivisions are to the designated Articles, Sections and other subdivisions of this Agreement;
- (3) the words "herein", "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision; and
- (4) the term "including" means "including without limitation".

"Above-Cap Account" means an Eligible Deposit Account in the name of the Subordination Agent maintained at an Eligible Institution, which shall be the Subordination Agent if it shall so qualify, into which all amounts paid under the Above-Cap Liquidity Facility pursuant to Section 3.5(a) shall be deposited.

"Above-Cap Collateral Account" means an Eligible Deposit Account in the name of the Subordination Agent maintained at an Eligible Institution, which shall be the Subordination Agent if it shall so qualify, into which all amounts paid under the Above-Cap Liquidity Facility pursuant to Section 3.5(c)(iv) shall be deposited.

"Above-Cap Liquidity Facility" means, initially, the ISDA Master Agreement, dated as of the date hereof, between the Subordination Agent, as agent and trustee for the Class G Trust, and the initial Above-Cap Liquidity Provider, together with the Schedule and Confirmation attached thereto, relating to the Class G Certificates, and, from and after the replacement of such ISDA Master Agreement pursuant hereto, the Replacement Above-Cap Liquidity Facility therefor, if any, in each case as amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Above-Cap Liquidity Provider" means Morgan Stanley Capital Services Inc., together with any Replacement Above-Cap Liquidity Provider which has issued a Replacement Above-Cap Liquidity Facility to replace any Above-Cap Liquidity Facility pursuant to Section 3.5(c)(iv).

"Above-Cap Payment" has the meaning specified in Section 3.5(a).

"Above-Cap Withdrawal" has the meaning specified in Section 3.5(a).

"Acceleration" means, with respect to the amounts payable in respect of the Equipment Notes, such amounts becoming immediately due and payable by declaration or otherwise. "Accelerate", "Accelerated" and "Accelerating" have meanings correlative to the foregoing.

"Accrued Class G Interest" has the meaning specified in Section 3.6(a).

"Advance" means any Advance as defined in the Primary Liquidity Facility.

"Affiliate" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by or under common control with such Person. For the purposes of this definition, "control" means the power, directly or indirectly, to direct or cause the direction of the management and policies of such Person whether through the ownership of voting securities or by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Applicable Fraction" means, with respect to any Special Distribution Date, a fraction, the numerator of which shall be the amount of principal of the applicable Equipment Note or Equipment Notes being redeemed, purchased or prepaid on such Special Distribution Date, and the denominator of which shall be the aggregate outstanding principal amount of all Equipment Notes.

"Appraisal" means a Fair Market Value appraisal (which may be a "desktop" appraisal) performed by any nationally recognized aircraft or aircraft parts appraiser.

"Available Amount" means, on any date, the Maximum Available Commitment (as defined in the Primary Liquidity Facility) on such date.

"Avoided Payment" has the meaning assigned to such term in the Policy.

"Bankruptcy Code" means the United States Bankruptcy Code, 11 U.S.C Section 101 et seq.

"Basic Agreement" means the Pass Through Trust Agreement dated as of September 25, 1997 between Continental and WTC, not in its individual capacity, except as otherwise expressly provided therein, but solely as trustee.

"Business Day" means any day (i) other than a Saturday or Sunday or a day on which insurance companies in New York, New York or commercial banks are required or authorized to close in Houston, Texas, New York, New York, or, so long as any Certificate is outstanding, the city and state in which any Trustee, the Subordination Agent or the Mortgagee maintains its Corporate Trust Office or, solely with respect to draws under the Policy, the city and state in which the office of the Policy Provider at which notices, presentations, transmissions, deliveries and communications are to be made under the Policy is located or the city and state in which the corporate trust office of the Fiscal Agent is located (ii) that is a day for trading by and between banks in the London interbank Eurodollar market and (iii) that, solely with respect to draws under any Liquidity Facility, also is a "Business Day" as defined in such Liquidity Facility.

"Capped Interest Rate" means, at any time, Capped LIBOR at such time plus 0.35% per annum.

"Capped LIBOR" means, at any time, 10% per annum.

"Cash Collateral Account" means the Primary Cash Collateral Account, or the Above-Cap Collateral Account, as applicable.

"Certificate" means a Class G Certificate or a Class B Certificate, as applicable.

"Certificateholder" means any holder of one or more Certificates.

"Class" has the meaning assigned to such term in the preliminary statements to this Agreement.

"Class B Certificateholder" means, at any time, any holder of one or more Class B Certificates.

"Class B Certificates" means the certificates issued by the Class B Trust, substantially in the form of Exhibit A to the Class B Trust Agreement, and authenticated by the Class B Trustee, representing fractional undivided interests in the Class B Trust, and any certificates issued in exchange therefor or replacement thereof pursuant to the terms of the Class B Trust Agreement.

"Class B Trust" means, the Continental Airlines Pass Through Trust 2006-1B created and administered pursuant to the Class B Trust Agreement.

"Class B Trust Agreement" means, the Basic Agreement, as supplemented by the Supplement No. 2006-1B thereto dated as of the date hereof (the "Class B Trust Supplement"), governing the creation and administration of the Continental Airlines Pass Through Trust 2006-1B and the issuance of the Class B Certificates, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Class B Trust Supplement" has the meaning assigned to such term in the definition of Class B Trust Agreement.

"Class B Trustee" means WTC, not in its individual capacity except as expressly set forth in the Class B Trust Agreement, but solely as trustee under the Class B Trust Agreement, together with any successor trustee appointed pursuant thereto.

"Class G Certificateholder" means, at any time, any holder of one or more Class G Certificates.

"Class G Certificates" means the certificates issued by the Class G Trust, substantially in the form of Exhibit A to the Class G Trust Agreement, and authenticated by the Class G Trustee, representing fractional undivided interests in the Class G Trust, and any certificates issued in exchange therefor or replacement thereof pursuant to the terms of the Class G Trust Agreement.

"Class G Trust" means the Continental Airlines Pass Through Trust 2006-1G created and administered pursuant to the Class G Trust Agreement.

"Class G Trust Agreement" means the Basic Agreement, as supplemented by the Supplement No. 2006-1G thereto dated as of the date hereof (the "Class G Trust Supplement"), governing the creation and administration of the Continental Airlines Pass Through Trust 2006-1G and the issuance of the Class G Certificates, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Class G Trust Supplement" has the meaning assigned to such term in the definition of Class G Trust Agreement.

"Class G Trustee" means WTC, not in its individual capacity except as expressly set forth in the Class G Trust Agreement, but solely as trustee under the Class G Trust Agreement, together with any successor trustee appointed pursuant thereto.

"Closing Date" means June 9, 2006.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, and the Treasury Regulations promulgated thereunder.

"Collateral" has the meaning specified in the Indenture.

"Collateral Maintenance Agreement" has the meaning specified in the Indenture.

"Collection Account" means the Eligible Deposit Account established by the Subordination Agent pursuant to Section 2.2(a)(i) which the Subordination Agent shall make deposits in and withdrawals from in accordance with this Agreement.

"Consent Period" has the meaning specified in Section 3.5(d).

"Continental" means Continental Airlines, Inc., a Delaware corporation, and its successors and assigns.

"Continental Bankruptcy Event" means the occurrence and continuation of any of the following:

(a) Continental shall consent to the appointment of or the taking of possession by a receiver, trustee or liquidator of itself or of a substantial part of its property, or Continental shall admit in writing its inability to pay its debts generally as they come due, or does not pay its debts generally as they become due or shall make a general assignment for the benefit of creditors, or Continental shall file a voluntary petition in bankruptcy or a voluntary petition or an answer seeking reorganization, liquidation or other relief in a case under any bankruptcy laws or other insolvency laws (as in effect at such time) or an answer admitting the material allegations of a petition filed against Continental in any such case, or Continental shall seek relief by voluntary petition, answer or consent, under the provisions of any other bankruptcy or other similar law providing for the reorganization or winding-up of corporations (as in effect at such time) or Continental shall seek an agreement, composition, extension or adjustment with its creditors under such laws, or Continental's board of directors shall adopt a resolution authorizing corporate action in furtherance of any of the foregoing; or

(b) an order, judgment or decree shall be entered by any court of competent jurisdiction appointing, without the consent of Continental, a receiver, trustee or liquidator of Continental or of any substantial part of its property, or any substantial part of the property of Continental shall be sequestered, or granting any other relief in respect of Continental as a debtor under any bankruptcy laws or other insolvency laws (as in effect at such time), and any such order, judgment or decree of appointment or sequestration shall remain in force undismissed, unstayed and unvacated for a period of 60 days after the date of entry thereof; or

(c) a petition against Continental in a case under any bankruptcy laws or other insolvency laws (as in effect at such time) is filed and not withdrawn or dismissed within 60 days thereafter, or if, under the provisions of any law providing for reorganization or winding-up of corporations which may apply to Continental, any court of competent jurisdiction assumes jurisdiction, custody or control of Continental or of any substantial part of its property and such jurisdiction, custody or control remains in force unrelinquished, unstayed and unterminated for a period of 60 days.

"Continental Provisions" has the meaning specified in Section 9.1(a).

"Controlling Party" means the Person entitled to act as such pursuant to the terms of Section 2.6.

"Corporate Trust Office" means, with respect to any Trustee, the Subordination Agent or the Mortgagee, the office of such Person in the city at which, at any particular time, its corporate trust business shall be principally administered.

"Credit Downgrade" has the meaning specified in the Above-Cap Liquidity Facility.

"Credit Support Event" has the meaning specified in the Above-Cap Liquidity Facility.

"Current Distribution Date" means a Distribution Date specified as a reference date for calculating the Expected Distributions with respect to the Certificates of any Trust as of such Distribution Date.

"Current Fair Market Value", with respect to any Pledged Spare Parts, means the Fair Market Value of such Pledged Spare Parts as determined on the basis of the most recent Appraisal obtained under Section 4.1(a)(iii) or (iv).

"Default Period" has the meaning specified in Section 3.6(c).

"Deficiency Amount" has the meaning specified in Section 3.5(a).

"Designated Representatives" means the Subordination Agent Representatives, the Trustee Representatives and the Provider Representatives identified under Section 2.5.

"Disposition" has the meaning specified in Section 3.6(b).

"Distribution Date" means a Regular Distribution Date or a Special Distribution Date.

"Dollars" or "\$" means United States dollars.

"Downgrade Drawing" has the meaning specified in Section 3.5(c).

"Downgrade Event" has the meaning assigned to such term in the Primary Liquidity Facility.

"Downgraded Facility" has the meaning specified in Section 3.5(c).

"Drawing" means an Interest Drawing, a Final Drawing, a Non-Extension Drawing or a Downgrade Drawing, as the case may be.

"DTC" means the Depository Trust Company.

"Early Termination Date" has the meaning assigned to such term in the Above-Cap Liquidity Facility.

"Early Termination Fee" has the meaning assigned to such term in the Policy Fee Letter.

"Election Distribution Date" has the meaning specified in Section 3.6(c).

"Election Interest Payment" has the meaning specified in Section 3.6(c).

"Eligible Deposit Account" means either (a) a segregated account with an Eligible Institution or (b) a segregated trust account with the corporate trust department of a depository

institution organized under the laws of the United States of America or any one of the states thereof or the District of Columbia (or any U.S. branch of a foreign bank), having corporate trust powers and acting as trustee for funds deposited in such account, so long as any of the securities of such depository institution has a long-term unsecured debt rating of at least A3 from Moody's and a long-term unsecured issuer credit rating of at least A- from Standard & Poor's. An Eligible Deposit Account may be maintained with the Primary Liquidity Provider so long as it is an Eligible Institution; provided that the Primary Liquidity Provider shall have waived all rights of set-off and counterclaim with respect to such account.

"Eligible Institution" means (a) the corporate trust department of the Subordination Agent or any Trustee, as applicable, or (b) a depository institution organized under the laws of the United States of America or any one of the states thereof or the District of Columbia (or any U.S. branch of a foreign bank), which has a long-term unsecured debt rating of at least A3 from Moody's and a long-term unsecured issuer credit rating of at least A- from Standard & Poor's.

"Eligible Investments" means (a) investments in obligations of, or guaranteed by, the United States Government having maturities no later than 90 days following the date of such investment, (b) investments in open market commercial paper of any corporation incorporated under the laws of the United States of America or any state thereof with a short-term unsecured debt rating issued by Moody's of at least P-1 and a short-term issuer credit rating issued by Standard & Poor's of at least A-1 having maturities no later than 90 days following the date of such investment or (c) investments in negotiable certificates of deposit, time deposits, banker's acceptances, commercial paper or other direct obligations of, or obligations guaranteed by, commercial banks organized under the laws of the United States or of any political subdivision thereof (or any U.S. branch of a foreign bank) with a short-term unsecured debt rating by Moody's of at least P-1 and a short-term issuer credit rating by Standard & Poor's of at least A-1, having maturities no later than 90 days following the date of such investment; provided, however, that (x) all Eligible Investments that are bank obligations shall be denominated in U.S. dollars; and (y) the aggregate amount of Eligible Investments at any one time that are bank obligations issued by any one bank shall not be in excess of 5% of such bank's capital surplus; provided further that any investment of the types described in clauses (a), (b) and (c) above may be made through a repurchase agreement in commercially reasonable form with a bank or other financial institution qualifying as an Eligible Institution so long as such investment is held by a third party custodian also qualifying as an Eligible Institution; provided further, however, that in the case of any Eligible Investment issued by a domestic branch of a foreign bank, the income from such investment shall be from sources within the United States for purposes of the Code. Notwithstanding the foregoing, no investment of the types described in clause (b) above which is issued or guaranteed by Continental or any of its Affiliates, and no investment in the obligations of any one bank in excess of \$10,000,000, shall be an Eligible Investment unless written approval has been obtained from the Policy Provider and a Ratings Confirmation shall have been received with respect to the making of such investment.

"Equipment Notes" means, at any time, the Series G Equipment Note and the Series B Equipment Note, collectively, and in each case, any Equipment Notes issued in exchange therefor or replacement thereof pursuant to the terms of the Indenture.

"Excess Reimbursement Obligations" means (a) in the event of any Policy Provider Election, the portion of the Policy Provider Obligations that represents, when added to that portion of any Liquidity Obligations that represents, interest on the Series G Equipment Note, in excess of 24 months of interest at the interest rate applicable to such Equipment Note, (b) any interest on the Liquidity Obligations in respect of the Primary Liquidity Facility paid by the Policy Provider to the Primary Liquidity Provider from and after the end of the 24-month period referred to in Section 3.6(c) hereof and (c) interest on Policy Drawings as set forth in the Policy Provider Agreement (other than any such interest that constitutes a Policy Provider Obligation).

"Expected Distributions" means, with respect to the Certificates of any Trust on any Current Distribution Date, the sum of (x) accrued and unpaid interest on the outstanding Pool Balance of such Certificates and (y) the difference between (A) the Pool Balance of such Certificates as of the immediately preceding Distribution Date (or, if the Current Distribution Date is the first Distribution Date, the Pool Balance as of the Closing Date) and (B) the Pool Balance of such Certificates as of the Current Distribution Date calculated on the basis that (i) the principal of any Performing Equipment Note held in such Trust has been paid when due (whether at stated maturity, upon redemption, prepayment, purchase, Acceleration or otherwise) and such payments have been distributed to the holders of such Certificates, (ii) the principal of any Non-Performing Equipment Note held in such Trust has been paid in full and such payments have been distributed to the holders of such Certificates and (iii) the principal of any Equipment Note formerly held in such Trust that has been sold pursuant to the terms hereof has been paid in full and such payments have been distributed to the holders of such Certificates. For purposes of calculating Expected Distributions with respect to the Certificates of any Trust, any Premium paid on the Equipment Notes held in such Trust which has not been distributed to the Certificateholders of such Trust (other than such Premium or a portion thereof applied to the payment of interest on the Certificates of such Trust or the reduction of the Pool Balance of such Trust) shall be added to the amount of such Expected Distributions. For the purposes of the application of any Special Payment in accordance with Section 3.2 hereof, clause (x) of this definition shall be deemed to read as follows: "(x) accrued, due and unpaid interest on the outstanding Pool Balance of such Certificates together with (without duplication) accrued and unpaid interest on a portion of the outstanding Pool Balance of such Certificates equal to the outstanding principal amount of the Equipment Notes held in such Trust and being redeemed, purchased or prepaid (immediately prior to such redemption, purchase or prepayment)."

"Expiry Date" has the meaning set forth in the Primary Liquidity Facility.

"Fair Market Value" has the meaning specified in the Indenture.

"Fee Letters" means, collectively, (i) the Fee Letter dated as of the date hereof between the Subordination Agent and the initial Primary Liquidity Provider with respect to the initial Primary Liquidity Facility and (ii) any fee letter entered into between the Subordination Agent and any Replacement Primary Liquidity Provider in respect of any Replacement Primary Liquidity Facility.

"Final Distributions" means, with respect to the Certificates of any Trust on any Distribution Date, the sum of (x) the aggregate amount of all accrued and unpaid interest on such

Certificates and (y) the Pool Balance of such Certificates as of the immediately preceding Distribution Date. For purposes of calculating Final Distributions with respect to the Certificates of any Trust, any Premium paid on the Equipment Notes held in such Trust which has not been distributed to the Certificateholders of such Trust (other than such Premium or a portion thereof applied to the payment of interest on the Certificates of such Trust or the reduction of the Pool Balance of such Trust) shall be added to the amount of such Final Distributions.

"Final Drawing" has the meaning assigned to such term in Section 3.5(i).

"Final Legal Distribution Date" means, (i) with respect to the Class G Certificates, June 2, 2015, and (ii) with respect to the Class B Certificates, June 2, 2013.

"Fiscal Agent" has the meaning assigned to such term in the Policy.

"Indenture" means the Trust Indenture and Mortgage entered into by the Mortgagee and Continental, pursuant to the Note Purchase Agreement, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Indenture Default" means an Event of Default (as such term is defined in the Indenture) under the Indenture.

"Interest Drawing" has the meaning specified in Section 3.5(a).

"Interest Payment Date" means each date on which interest is due and payable under the Primary Liquidity Facility on a Downgrade Drawing, Non-Extension Drawing or Final Drawing thereunder, other than any such date on which interest is due and payable under the Primary Liquidity Facility only on an Applied Provider Advance (as such term is defined in the Primary Liquidity Facility).

"Interest Period" has the meaning specified in the Indenture.

"Investment Earnings" means investment earnings on funds on deposit in the Trust Accounts net of losses and investment expenses of the Subordination Agent in making such investments.

"Lending Office" has the meaning set forth in the Primary Liquidity Facility.

"LIBOR" has the meaning specified in the Reference Agency Agreement.

"Lien" means any mortgage, pledge, lien, charge, claim, disposition of title, encumbrance, lease, sublease, sub-sublease or security interest of any kind, including, without limitation, any thereof arising under any conditional sales or other title retention agreement.

"Liquidity Event of Default" has the meaning assigned to such term in the Primary Liquidity Facility.

"Liquidity Expenses" means all Liquidity Obligations other than (i) the principal amount of any Drawings under the Primary Liquidity Facility and (ii) any interest accrued on any Liquidity Obligations.

"Liquidity Facility" means, at any time, the Primary Liquidity Facility or the Above-Cap Liquidity Facility, as applicable.

"Liquidity Guarantee" means the Guarantee Agreement, dated as of the date hereof, providing for the guarantee by the Liquidity Guarantor of the obligations of the Above-Cap Liquidity Provider under the Above-Cap Liquidity Facility.

"Liquidity Guarantor" means Morgan Stanley, a Delaware corporation, as guarantor of the Above-Cap Liquidity Facility.

"Liquidity Obligations" means all principal, interest, fees and other amounts owing to the Primary Liquidity Provider under the Primary Liquidity Facility, Section 8.1 of the Note Purchase Agreement or the Fee Letters.

"Liquidity Provider" means, at any time, the Primary Liquidity Provider or Above-Cap Liquidity Provider, as applicable.

"Liquidity Provider Reimbursement Date" has the meaning specified in Section 3.6(d).

"Mandatory Termination Event" has the meaning specified in Section 3.5(c)(iv).

"Minimum Sale Price" means, with respect to (a) any Pledged Spare Parts proposed to be sold, 75% of the aggregate Current Fair Market Value of such Pledged Spare Parts and (b) the Equipment Notes, the lesser of (i) 75% of the Current Fair Market Value of all Pledged Spare Parts then subject to the Lien of the Indenture and (ii) the aggregate outstanding principal amount of the Equipment Notes, plus accrued and unpaid interest thereon.

"Moody's" means Moody's Investors Service, Inc.

"Mortgagee" has the meaning specified in the Indenture.

"Non-Controlling Party" means, at any time, any Trustee, Liquidity Provider or Policy Provider which is not the Controlling Party at such time.

"Non-Extended Facility" has the meaning specified in Section 3.5(d).

"Non-Extension Drawing" has the meaning specified in Section 3.5(d).

"Non-Performing Equipment Note" means an Equipment Note that is not a Performing Equipment Note.

"Note Holder" has the meaning specified in the Indenture.

"Note Purchase Agreement" means the Note Purchase Agreement, dated as of the date hereof, among Continental, each Trustee, the Subordination Agent and the Mortgagee, as amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Notice of Avoided Payment" has the meaning assigned to such term in the Policy.

"Notice for Payment" means a Notice of Nonpayment as such term is defined in the Policy.

"Officer's Certificate" of any Person means a certification signed by a Responsible Officer of such Person.

"Operative Agreements" means this Agreement, the Liquidity Facilities, the Liquidity Guarantee, the Policy, the Policy Provider Agreement, the Policy Fee Letter, the Indenture, the Collateral Maintenance Agreement, the Trust Agreements, the Underwriting Agreement, the Fee Letters, the Reference Agency Agreement, the Note Purchase Agreement, the Equipment Notes and the Certificates, together with all exhibits and schedules included with any of the foregoing.

"Order" has the meaning assigned to such term in the Policy.

"Outstanding" means, when used with respect to each Class of Certificates, as of the date of determination, all Certificates of such Class theretofore authenticated and delivered under the related Trust Agreement, except:

- (i) Certificates of such Class theretofore canceled by the Registrar (as defined in such Trust Agreement) or delivered to the Trustee thereunder or such Registrar for cancellation;
- (ii) Certificates of such Class for which money in the full amount required to make the Final Distributions with respect to such Certificates pursuant to Section 11.01 of such Trust Agreement has been theretofore deposited with the related Trustee in trust for the holders of such Certificates as provided in Section 4.01 of such Trust Agreement pending distribution of such money to such Certificateholders pursuant to such Final Distributions payment; and
- (iii) Certificates of such Class in exchange for or in lieu of which other Certificates have been authenticated and delivered pursuant to such Trust Agreement;

provided, however, that in determining whether the holders of the requisite Outstanding amount of such Certificates have given any request, demand, authorization, direction, notice, consent or waiver hereunder, any Certificates owned by Continental or any of its Affiliates shall be disregarded and deemed not to be Outstanding, except that, in determining whether such Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Certificates that such Trustee knows to be so owned shall be so disregarded. Certificates so owned that have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the applicable Trustee the pledgee's

right so to act with respect to such Certificates and that the pledgee is not Continental or any of its Affiliates.

"Overdue Scheduled Payment" means any Scheduled Payment which is not in fact received by the Subordination Agent within five days after the Scheduled Payment Date relating thereto.

"Payee" has the meaning specified in Section 2.4(c).

"Payment Default" has the meaning specified in the Indenture.

"Performing Equipment Note" means an Equipment Note with respect to which no Payment Default has occurred and is continuing (without giving effect to any Acceleration); provided that in the event of a bankruptcy proceeding under the Bankruptcy Code in which Continental is a debtor any Payment Default existing during the 60-day period under Section 1110(a)(2)(A) of the Bankruptcy Code (or such longer period as may apply under Section 1110(b) of the Bankruptcy Code or as may apply for the cure of such Payment Default under Section 1110(a)(2)(B) of the Bankruptcy Code) shall not be taken into consideration until the expiration of the applicable period.

"Person" means any individual, corporation, partnership, joint venture, association, limited liability company, joint-stock company, trust, trustee, unincorporated organization or government or any agency or political subdivision thereof.

"Pledged Spare Parts" has the meaning assigned to such term in the Indenture.

"Policy" means Financial Guaranty Insurance Company Policy No. 06030067 issued as of the Closing Date with respect to the Class G Certificates, as amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Policy Account" means the Eligible Deposit Account established by the Subordination Agent pursuant to Section 2.2(a)(iv) which the Subordination Agent shall make deposits in and withdrawals from in accordance with this Agreement.

"Policy Drawing" means any payment of a claim under the Policy.

"Policy Expenses" means all amounts (including amounts in respect of premiums, fees, expenses or indemnities) due to the Policy Provider under the Policy Provider Agreement or the Note Purchase Agreement other than (i) any amounts due under the Policy Fee Letter, (ii) the amount of any Excess Reimbursement Obligations, (iii) any Policy Drawing, (iv) any interest accrued on any Policy Provider Obligations, (v) any amounts that the Policy Provider is entitled to receive by virtue of the subrogation rights of the Policy Provider hereunder and (vi) reimbursement of and interest on the Liquidity Obligations in respect of the Primary Liquidity Facility paid by the Policy Provider to the Primary Liquidity Provider; provided that if, at the time of determination, a Policy Provider Default exists, Policy Expenses shall not include any indemnity payments owed to the Policy Provider.

"Policy Fee Letter" means the fee letter, dated as of the date hereof, from the Policy Provider to Continental and acknowledged by the Subordination Agent, setting forth the fees and premiums payable with respect to the Policy.

"Policy Provider" means Financial Guaranty Insurance Company, a New York stock insurance company, and its successors and permitted assigns.

"Policy Provider Agreement" means the Insurance and Indemnity Agreement dated as of the date hereof among the Subordination Agent, as agent and trustee for the Class G Trustee, Continental and the Policy Provider, as amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Policy Provider Amounts" means all Policy Provider Obligations, Policy Expenses, amounts due under the Policy Fee Letter (excluding any Early Termination Fee and without duplication of any Policy Provider Obligations or Policy Expenses) and Excess Reimbursement Obligations.

"Policy Provider Default" means the occurrence of any of the following events: (a) the Policy Provider fails to make a payment required under the Policy in accordance with its terms and such failure remains unremedied for two Business Days following the delivery of Written Notice of such failure to the Policy Provider or (b) the Policy Provider (i) files any petition or commences any case or proceeding under any provisions of any federal or state law relating to insolvency, bankruptcy, rehabilitation, liquidation or reorganization, (ii) makes a general assignment for the benefit of its creditors or (iii) has an order for relief entered against it under any federal or state law relating to insolvency, bankruptcy, rehabilitation, liquidation or reorganization that is final and nonappealable, or (c) a court of competent jurisdiction, the New York Insurance Department or another competent regulatory authority enters a final and nonappealable order, judgment or decree (i) appointing a custodian, trustee, agent or receiver for the Policy Provider or for all or any material portion of its property or (ii) authorizing the taking of possession by a custodian, trustee, agent or receiver of the Policy Provider (or taking of possession of all or any material portion of the Policy Provider's property).

"Policy Provider Documents" means the Policy, the Policy Provider Agreement and the Policy Fee Letter.

"Policy Provider Election" has the meaning specified in Section 3.6(c).

"Policy Provider Interest Obligations" means any interest on any Policy Drawing made to cover any shortfall attributable to any failure of the Primary Liquidity Provider to honor any Interest Drawing in accordance with Section 2.02(e) of the Primary Liquidity Facility in an amount equal to the amount of interest that would have accrued on such Interest Drawing if such Interest Drawing had been made in accordance with Section 2.02(e) of the Primary Liquidity Facility at the interest rate applicable to such Interest Drawing until such Policy Drawing has been repaid in full.

"Policy Provider Obligations" means all reimbursement and other amounts, including, without limitation, fees and indemnities (to the extent not included in Policy

Expenses), due to the Policy Provider under the Policy Provider Agreement but shall not include (i) amounts under the Policy Fee Letter and (ii) any interest on Policy Drawings other than Policy Provider Interest Obligations.

"Pool Balance" means, with respect to each Trust or the Certificates issued by any Trust, as of any date, (i) the original aggregate face amount of the Certificates of such Trust less (ii) the aggregate amount of all payments made as of such date in respect of the Certificates of such Trust other than payments made in respect of interest or Premium thereon or reimbursement of any costs and expenses in connection therewith. The Pool Balance for each Trust or for the Certificates issued by any Trust as of any date shall be computed after giving effect to any payment of principal of the Equipment Notes, payments under the Policy, if any, for such Trust (other than in respect of interest on the Certificates) or payment with respect to other Trust Property held in such Trust and the distribution thereof to be made on that date.

"Premium" means any "Premium" or any "Break Amount", as such terms are defined in the Indenture.

"Primary Cash Collateral Account" means an Eligible Deposit Account in the name of the Subordination Agent maintained at an Eligible Institution, which shall be the Subordination Agent if it shall so qualify, into which all amounts drawn under the Primary Liquidity Facility pursuant to Section 3.5(c), 3.5(d) or 3.5(i) shall be deposited.

"Primary Liquidity Facility" means, initially, the Revolving Credit Agreement, dated as of the date hereof, between the Subordination Agent, as agent and trustee for the Class G Trust, and the initial Primary Liquidity Provider, and from and after the replacement of the Revolving Credit Agreement pursuant hereto, the Replacement Primary Liquidity Facility therefor, if any, in each case as amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Primary Liquidity Provider" means Morgan Stanley Bank, together with any Replacement Primary Liquidity Provider which has issued a Replacement Primary Liquidity Facility to replace the Primary Liquidity Facility pursuant to Section 3.5(e).

"Prior Funds" means, on any Distribution Date, any Drawing paid under the Primary Liquidity Facility in respect of interest due on the Class G Certificates on such Distribution Date and any funds withdrawn from the Primary Cash Collateral Account or from the Above-Cap Account on such Distribution Date in respect of such interest.

"Proceeding" means any suit in equity, action at law or other judicial or administrative proceeding.

"Provider Incumbency Certificate" has the meaning specified in Section 2.5(c).

"Provider Representatives" has the meaning specified in Section 2.5(c).

"PTC Event of Default" means, with respect to each Trust Agreement, the failure to pay within 10 Business Days of the due date thereof: (i) the outstanding Pool Balance of the applicable Class of Certificates on the Final Legal Distribution Date for such Class (unless, in the

case of the Class G Trust Agreement, the Subordination Agent shall have made a drawing under the Policy with respect thereto in an amount sufficient to pay such outstanding Pool Balance and shall have distributed such amount to the Trustee entitled thereto) or (ii) interest due on such Certificates on any Distribution Date (unless, in the case of the Class G Trust, the Subordination Agent shall have made an Interest Drawing, a withdrawal from the Primary Cash Collateral Account, a withdrawal from the Above-Cap Account or a drawing under the Policy with respect thereto in an aggregate amount sufficient to pay such interest and shall have distributed such amount to the Class G Trustee).

"Rating Agencies" means, collectively, at any time, and with respect to a Class of Certificates, each nationally recognized rating agency which shall have been requested by Continental to rate such Class of Certificates and which shall then be rating such Class of Certificates. The initial Rating Agencies for each Class of Certificates will be Moody's and Standard & Poor's.

"Ratings Confirmation" means, with respect to any action proposed to be taken, a written confirmation from each of the Rating Agencies with respect to the applicable Class of Certificates that such action would not result in (i) a reduction of the rating of such Class of Certificates below the then current rating for such Class of Certificates (such rating, in the case of the Class G Certificates, as determined without regard to the Policy) or (ii) a withdrawal or suspension of the rating of such Class of Certificates.

"Redemption Notice" means a notice of redemption issued by Continental pursuant to Section 2.12 of the Indenture.

"Reference Agency Agreement" means the Reference Agency Agreement, dated as of the date hereof, among Continental, WTC, as the reference agent thereunder, and the Subordination Agent.

"Regular Distribution Dates" means each March 2, June 2, September 2 and December 2, commencing on September 2, 2006; provided, however, that, if any such day shall not be a Business Day, the related distribution shall be made on the next succeeding Business Day, with additional interest for such additional period.

"Replacement Above-Cap Liquidity Facility" means an irrevocable interest rate cap agreement (or agreements) for the same term as the Above-Cap Liquidity Facility being replaced, in substantially the form of the Above-Cap Liquidity Facility being replaced or in such other form (which may include a letter of credit) as shall permit the Rating Agencies to confirm in writing their respective ratings then in effect for the Class G Certificates (before the downgrading of such ratings, if any, as a result of the downgrading of the Above-Cap Liquidity Provider and without regard to the Policy), and be consented to by the Policy Provider, which consent shall not be unreasonably withheld or delayed, issued by a Person (or Person(s)) having a short-term unsecured debt rating issued by Moody's and a short-term issuer credit rating issued by Standard & Poor's that are equal to or higher than the applicable Threshold Rating.

"Replacement Above-Cap Liquidity Provider" means a Person (or Persons) who issues a Replacement Above-Cap Liquidity Facility.

"Replacement Liquidity Facility." means any of a Replacement Above-Cap Liquidity Facility or a Replacement Primary Liquidity Facility.

"Replacement Primary Liquidity Facility." means an irrevocable revolving credit agreement (or agreements) in substantially the form of the replaced Primary Liquidity Facility, including reinstatement provisions, or in such other form (which may include a letter of credit) as shall permit the Rating Agencies to confirm in writing their respective ratings then in effect for the Class G Certificates (before downgrading of such ratings, if any, as a result of the downgrading of the Primary Liquidity Provider but without regard to the Policy), and be consented to by the Policy Provider, which consent shall not be unreasonably withheld or delayed, in a face amount (or in an aggregate face amount) equal to the amount of interest payable on the Class G Certificates (at the Capped Interest Rate, and without regard to expected future principal payments) on the eight Regular Distribution Dates following the date of replacement of the Primary Liquidity Facility and issued by a Person (or Persons) having unsecured short-term debt rating or issuer credit rating, as the case may be, issued by both Rating Agencies which are equal to or higher than the Threshold Rating. Without limitation of the form that a Replacement Primary Liquidity Facility otherwise may have pursuant to the preceding sentence, a Replacement Primary Liquidity Facility may have a stated expiration date earlier than 15 days after the Final Legal Distribution Date of the Class G Certificates so long as such Replacement Primary Liquidity Facility provides for a Non-Extension Drawing as contemplated by Section 3.5(d) hereof.

"Replacement Primary Liquidity Provider" means a Person (or Persons) who issues a Replacement Primary Liquidity Facility.

"Required Amount" means with respect to the Primary Liquidity Facility or the Primary Cash Collateral Account, for any day, the sum of the aggregate amount of interest, calculated at the rate per annum equal to the Capped Interest Rate, that would be payable on the Class G Certificates on each of the eight successive Regular Distribution Dates immediately following such day or, if such day is a Regular Distribution Date, on such day and the succeeding seven Regular Distribution Dates, in each case calculated on the basis of the Pool Balance of the Class G Certificates on such date and without regard to expected future payments of principal on the Class G Certificates. The Pool Balance solely for purposes of the definition of Required Amount with respect to the Primary Liquidity Facility shall, in the event of any Policy Provider Election, be deemed to be reduced to zero.

"Responsible Officer" means (i) with respect to the Subordination Agent and each of the Trustees, any officer in the corporate trust administration department of the Subordination Agent or such Trustee or any other officer customarily performing functions similar to those performed by the Persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of his knowledge of and familiarity with a particular subject, (ii) with respect to each Liquidity Provider, any authorized officer of such Liquidity Provider, and (iii) with respect to the Policy Provider, any authorized officer of the Policy Provider.

"Scheduled Payment" means, with respect to any Equipment Note, (i) any payment of principal or interest on such Equipment Note (other than an Overdue Scheduled Payment) due from the obligor thereon, which payment represents the installment of principal scheduled to be paid pursuant to the Indenture (without giving effect to Acceleration) on such Equipment Note (including after giving effect to any change in the amount of such installment due to an optional redemption pursuant to the Indenture), the payment of regularly scheduled interest accrued on the unpaid principal amount of such Equipment Note, or both, (ii) any payment of interest on the Class G Certificates with funds drawn under the Primary Liquidity Facility (or the Primary Cash Collateral Account) or withdrawn from the Above-Cap Account or (iii) any payment of interest on or principal of the Class G Certificates with funds drawn under the Policy, which payment in any such case represents the installment of principal scheduled to be paid pursuant to the Indenture (without giving effect to Acceleration) on such Equipment Note (including after giving effect to any change in the amount of such installment due to an optional redemption pursuant to the Indenture), the payment of regularly scheduled interest accrued on the unpaid principal amount of such Equipment Note, or both; provided that any payment of principal, Premium, if any, or interest resulting from the redemption or purchase of any Equipment Note shall not constitute a Scheduled Payment.

"Scheduled Payment Date" means, with respect to any Scheduled Payment, the date on which such Scheduled Payment is scheduled to be made.

"Series B Equipment Note" means the Series B Equipment Note issued pursuant to the Indenture by Continental and authenticated by the Mortgagee thereunder, and any such Equipment Note issued in exchange therefor or replacement thereof pursuant to the terms of the Indenture.

"Series G Equipment Note" means the Series G Equipment Note issued pursuant to the Indenture by Continental and authenticated by the Mortgagee thereunder, and any such Equipment Note issued in exchange therefor or replacement thereof pursuant to the terms of the Indenture.

"Special Distribution Date" means, with respect to any Special Payment, (i) the date chosen by the Subordination Agent pursuant to Section 2.4(a) for the distribution of such Special Payment in accordance with this Agreement or (ii) the date chosen by the Subordination Agent pursuant to Section 3.6(b), 3.6(c) or Section 3.6(f), as the case may be, for the distribution of such Special Payment in accordance with the provisions thereof or otherwise designated as a Special Distribution Date.

"Special Distribution Withdrawal" has the meaning specified in Section 3.5(f) hereof.

"Special Payment" means any payment (other than a Scheduled Payment) in respect of, or any proceeds of, any Equipment Note or Collateral.

"Special Payments Account" means the Eligible Deposit Account created pursuant to Section 2.2(a)(ii) as a sub-account to the Collection Account.

"Special Termination" has the meaning specified in Section 3.5(n).

"Standard & Poor's" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.

"Stated Amount" means the Maximum Commitment (as defined in the Primary Liquidity Facility) of the Primary Liquidity Provider.

"Stated Expiration Date" has the meaning specified in Section 3.5(d).

"Stated Interest Rate" means (i) with respect to the Class G Certificates, in the case of the first Interest Period, 5.6325% per annum and, in the case of any subsequent Interest Period, LIBOR for such Interest Period plus 0.35% per annum, and (ii) with respect to the Class B Certificates, in the case of the first Interest Period, 8.4075% per annum and, in the case of any subsequent Interest Period, LIBOR for such Interest Period plus 3.125% per annum; provided that if a Payment Default has occurred and is continuing on any Regular Distribution Date, the Stated Interest Rate for the Class G Certificates for the Interest Period commencing on such Regular Distribution Date shall not exceed the Capped Interest Rate.

"Subordination Agent" has the meaning assigned to it in the preliminary statements to this Agreement.

"Subordination Agent Incumbency Certificate" has the meaning specified in Section 2.5(a).

"Subordination Agent Representatives" has the meaning specified in Section 2.5(a).

"Tax" and "Taxes" mean any and all taxes, fees, levies, duties, tariffs, imposts, and other charges of any kind (together with any and all interest, penalties, loss, damage, liability, expense, additions to tax and additional amounts or costs incurred or imposed with respect thereto) imposed or otherwise assessed by the United States of America or by any state, local or foreign government (or any subdivision or agency thereof) or other taxing authority, including, without limitation: taxes or other charges on or with respect to income, franchises, windfall or other profits, gross receipts, property, sales, use, capital stock, payroll, employment, social security, workers' compensation, unemployment compensation, or net worth and similar charges; taxes or other charges in the nature of excise, withholding, ad valorem, stamp, transfer, value added, taxes on goods and services, gains taxes, license, registration and documentation fees, customs duties, tariffs, and similar charges.

"Termination Amount" has the meaning assigned to such term in the Above-Cap Liquidity Facility.

"Termination Event" has the meaning assigned to such term in the Above-Cap Liquidity Facility.

"Termination Notice" has the meaning assigned to such term in the Primary Liquidity Facility.

"Threshold Rating" means the short-term unsecured debt rating of P-1 by Moody's and the short-term issuer credit rating of A-1 by Standard & Poor's.

"Treasury Regulations" means regulations, including proposed or temporary regulations, promulgated under the Code. References herein to specific provisions of proposed or temporary regulations shall include analogous provisions of final Treasury Regulations or other successor Treasury Regulations.

"Triggering Event" means (x) the occurrence of an Indenture Default resulting in a PTC Event of Default with respect to the most senior Class of Certificates then Outstanding, (y) the Acceleration of all of the outstanding Equipment Notes or (z) the occurrence of a Continental Bankruptcy Event.

"Trust" means any of the Class G Trust or the Class B Trust.

"Trust Accounts" has the meaning specified in Section 2.2(a).

"Trust Agreement" means any of the Class G Trust Agreement or the Class B Trust Agreement.

"Trust Property" with respect to any Trust, has the meaning set forth in the Trust Agreement for such Trust.

"Trust Supplement" means any of the Class G Trust Supplement or the Class B Trust Supplement.

"Trustee" means any of the Class G Trustee or the Class B Trustee.

"Trustee Incumbency Certificate" has the meaning specified in Section 2.5(b).

"Trustee Representatives" has the meaning specified in Section 2.5(b).

"Unapplied Provider Advance" has the meaning specified in the Primary Liquidity Facility.

"Underwriter" means Morgan Stanley & Co. Incorporated.

"Underwriting Agreement" means the Underwriting Agreement dated May 24, 2006 between the Underwriter and Continental, relating to the purchase of the Class G Certificates and the Class B Certificates by the Underwriter, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Withdrawal Notice" has the meaning specified in Section 3.5(d).

"Written Notice" means, from the Subordination Agent, any Trustee, any Liquidity Provider or the Policy Provider, a written instrument executed by the Designated Representative of such Person. An invoice delivered by the Primary Liquidity Provider pursuant

to Section 3.1 in accordance with its normal invoicing procedures shall constitute Written Notice under such Section.

"WTC" has the meaning assigned to such term in the recital of parties to this Agreement.

ARTICLE II

TRUST ACCOUNTS; CONTROLLING PARTY

SECTION 2.1. Agreement to Terms of Subordination; Payments from Monies Received Only. (a) Each Trustee hereby acknowledges and agrees to the terms of subordination and distribution set forth in this Agreement in respect of each Class of Certificates and agrees to enforce such provisions and cause all payments in respect of the Equipment Notes, the Liquidity Facilities and the Policy to be applied in accordance with the terms of this Agreement. In addition, each Trustee hereby agrees to cause the Equipment Notes purchased by the related Trust to be registered in the name of the Subordination Agent or its nominee, as agent and trustee for such Trustee, to be held in trust by the Subordination Agent solely for the purpose of facilitating the enforcement of the subordination and other provisions of this Agreement.

(b) Except as otherwise expressly provided in the next succeeding sentence of this Section 2.1, all payments to be made by the Subordination Agent hereunder shall be made only from amounts received by it that constitute Scheduled Payments, Special Payments or payments under Section 8.1 of the Note Purchase Agreement, and only to the extent that the Subordination Agent shall have received sufficient income or proceeds therefrom to enable it to make such payments in accordance with the terms hereof. Each of the Trustees and the Subordination Agent hereby agrees and, as provided in each Trust Agreement, each Certificateholder, by its acceptance of a Certificate, the Primary Liquidity Provider, by entering into the Primary Liquidity Facility, and the Policy Provider, by entering into the Policy Provider Agreement, has agreed to look solely to such amounts to the extent available for distribution to it as provided in this Agreement and that none of the Trustees, Mortgagee nor the Subordination Agent is personally liable to any of them for any amounts payable or any liability under this Agreement, any Trust Agreement, any Liquidity Facility, the Policy Provider Agreement, the Policy or such Certificate, except (in the case of the Subordination Agent) as expressly provided herein or (in the case of the Trustees) as expressly provided in each Trust Agreement or (in the case of the Mortgagee) as expressly provided in any Operative Agreement.

SECTION 2.2. Trust Accounts. (a) Upon the execution of this Agreement, the Subordination Agent shall establish and maintain in its name (i) the Collection Account as an Eligible Deposit Account, bearing a designation clearly indicating that the funds deposited therein are held in trust for the benefit of the Trustees, the Certificateholders, the Primary Liquidity Provider and the Policy Provider, (ii) as a sub-account in the Collection Account, the Special Payments Account as an Eligible Deposit Account, bearing a designation clearly indicating that the funds deposited therein are held in trust for the benefit of the Trustees, the Certificateholders, the Primary Liquidity Provider and the Policy Provider, (iii) an Above-Cap Account, as an Eligible Deposit Account, bearing a designation clearly indicating that the funds

deposited therein are held in trust for the benefit of the Class G Trustee and Class G Certificateholders and (iv) a Policy Account, as an Eligible Deposit Account, bearing a designation clearly indicating that the funds deposited therein are held in trust for the benefit of the Class G Trustee and the Class G Certificateholders. The Subordination Agent shall establish and maintain the Cash Collateral Accounts pursuant to and under the circumstances set forth in Section 3.5(f) hereof. The Above-Cap Collateral Account shall bear a designation clearly indicating that the funds deposited therein are held in trust for the benefit of the Class G Trustee and Class G Certificateholders. Upon such establishment and maintenance under Section 3.5(f) hereof, the Cash Collateral Accounts shall, together with the Collection Account, the Above-Cap Account and the Policy Account, constitute the "Trust Accounts" hereunder. Without limiting the foregoing, all monies credited to the Trust Accounts shall be, and shall remain, the property of the relevant Trusts.

(b) Funds on deposit in the Trust Accounts shall be invested and reinvested by the Subordination Agent in Eligible Investments selected by the Subordination Agent if such investments are reasonably available and have maturities no later than the earlier of (i) 90 days following the date of such investment and (ii) the Business Day immediately preceding the Regular Distribution Date or the date of the related distribution pursuant to Section 2.4 hereof, as the case may be, next following the date of such investment (provided that the Subordination Agent shall invest and reinvest funds on deposit in the Above-Cap Account and Above-Cap Collateral Account in the manner specified in Schedule 2.2(b) attached hereto); provided, however, that following the making of a Downgrade Drawing or a Non-Extension Drawing under the Primary Liquidity Facility, the Subordination Agent shall invest and reinvest such amounts in Eligible Investments at the direction of Continental (or, if and to the extent so specified to the Subordination Agent by Continental, the Primary Liquidity Provider); provided further, however, that, notwithstanding the foregoing proviso, following the making of a Non-Extension Drawing under the initial Primary Liquidity Facility, the Subordination Agent shall invest and reinvest the amounts in the Primary Cash Collateral Account in Eligible Investments pursuant to the written instructions of the Primary Liquidity Provider funding such Drawing; provided further, however, that upon the occurrence and during the continuation of a Triggering Event, the Subordination Agent shall invest and reinvest such amounts in Eligible Investments in accordance with the written instructions of the Controlling Party. Unless otherwise expressly provided in this Agreement (including, without limitation, with respect to Investment Earnings on amounts on deposit in the Cash Collateral Accounts and in the Above-Cap Account, in each case pursuant to Section 3.5(f) hereof), any Investment Earnings shall be deposited in the Collection Account when received by the Subordination Agent and shall be applied by the Subordination Agent in the same manner as the other amounts on deposit in the Collection Account are to be applied and any losses shall be charged against the principal amount invested, in each case net of the Subordination Agent's reasonable fees and expenses in making such investments. The Subordination Agent shall not be liable for any loss resulting from any investment, reinvestment or liquidation required to be made under this Agreement other than by reason of its willful misconduct or gross negligence. Eligible Investments and any other investment required to be made hereunder shall be held to their maturities except that any such investment may be sold (without regard to its maturity) by the Subordination Agent without instructions whenever such sale is necessary to make a distribution required under this Agreement. Uninvested funds held hereunder shall not earn or accrue interest.

(c) The Subordination Agent shall possess all right, title and interest in all funds on deposit from time to time in the Trust Accounts and in all proceeds thereof (including all income thereon, except as otherwise expressly provided in Section 3.3(b) with respect to Investment Earnings). The Trust Accounts shall be held in trust by the Subordination Agent under the sole dominion and control of the Subordination Agent for the benefit of the Trustees, the Certificateholders, the Primary Liquidity Provider and the Policy Provider, as the case may be. If, at any time, any of the Trust Accounts ceases to be an Eligible Deposit Account, the Subordination Agent shall within 10 Business Days (or such longer period, not to exceed 30 calendar days, for which a Ratings Confirmation for each Class of Certificates and the consent of the Policy Provider (which consent shall not be unreasonably withheld or delayed) shall have been obtained) establish a new Collection Account, Special Payments Account, Policy Account, Cash Collateral Account or Above-Cap Account, as the case may be, as an Eligible Deposit Account and shall transfer any cash and/or any investments to such new Collection Account, Special Payments Account, Policy Account, Cash Collateral Account or Above-Cap Account, as the case may be. So long as WTC is an Eligible Institution, the Trust Accounts shall be maintained with it as Eligible Deposit Accounts.

SECTION 2.3. Deposits to the Collection Account and Special Payments Account. (a) The Subordination Agent shall, upon receipt thereof, deposit in the Collection Account all Scheduled Payments received by it (other than any Scheduled Payment which by the express terms hereof is to be deposited to a Policy Account or a Cash Collateral Account).

(b) The Subordination Agent shall, on each date when one or more Special Payments are made to the Subordination Agent as holder of the Equipment Notes, deposit in the Special Payments Account the aggregate amount of such Special Payments.

SECTION 2.4. Distributions of Special Payments. (a) Notice of Special Payment. Except as provided in Section 2.4(c) below, upon receipt by the Subordination Agent, as registered holder of the Equipment Notes, of any notice of a Special Payment (or, in the absence of any such notice, upon receipt by the Subordination Agent of a Special Payment), the Subordination Agent shall promptly give notice thereof to each Trustee, the Primary Liquidity Provider and the Policy Provider. The Subordination Agent shall promptly calculate the amount of the redemption or purchase of all or any portion of any Equipment Note, the amount of any Overdue Scheduled Payment or the proceeds of any portion of any Equipment Note or the Collateral, as the case may be, comprising such Special Payment under the Indenture and shall promptly send to each Trustee, the Primary Liquidity Provider and the Policy Provider a Written Notice of such amount and the amount allocable to each Trust. Such Written Notice shall also set the distribution date for such Special Payment, which shall be the Business Day which immediately follows the later to occur of (x) the 15th day after the date of such Written Notice or (y) the date the Subordination Agent has received or expects to receive such Special Payment. For purposes of calculating any such distribution, if the Special Payment to be distributed on any Special Distribution Date results from the redemption, purchase or prepayment of any portion of any Equipment Note prior to the occurrence of a Payment Default under the Indenture, the amount of accrued and unpaid Liquidity Expenses and Policy Expenses which are not yet due that are payable pursuant to clause "second" of Section 3.2 and any unpaid amounts which are not yet due that are payable to the Policy Provider under the Policy Fee Letter pursuant to clause "ninth" of Section 3.2 shall be multiplied by the Applicable Fraction. Amounts on deposit in the

Special Payments Account shall be distributed in accordance with Section 2.4(b), 2.4(c) and Article III hereof, as applicable.

(b) Investment of Amounts in Special Payments Account. Any amounts on deposit in the Special Payments Account prior to the distribution thereof pursuant to Article III hereof shall be invested in accordance with Section 2.2(b). Investment Earnings on such investments shall be distributed in accordance with Article III hereof.

(c) Certain Payments. Except for amounts constituting Liquidity Obligations, Policy Expenses or Policy Provider Obligations which shall be distributed on a Distribution Date as provided in Section 3.2, the Subordination Agent will distribute promptly upon receipt thereof (i) any indemnity payment or expense reimbursement received by it from Continental in respect of any Trustee, any Liquidity Provider or the Policy Provider (collectively, the "Payees") and (ii) any compensation received by it from Continental under any Operative Agreement in respect of any Payee, directly to the Payee entitled thereto.

SECTION 2.5. Designated Representatives. (a) With the delivery of this Agreement, the Subordination Agent shall furnish to each Liquidity Provider, the Policy Provider and each Trustee, and from time to time thereafter may furnish to each Liquidity Provider, the Policy Provider and each Trustee, at the Subordination Agent's discretion, or upon any Liquidity Provider's, the Policy Provider's or any Trustee's request (which request shall not be made more than one time in any 12-month period), a certificate (a "Subordination Agent Incumbency Certificate") of a Responsible Officer of the Subordination Agent certifying as to the incumbency and specimen signatures of the officers of the Subordination Agent and the attorney-in-fact and agents of the Subordination Agent (the "Subordination Agent Representatives") authorized to give Written Notices on behalf of the Subordination Agent hereunder. Until each Liquidity Provider, the Policy Provider and each Trustee receives a subsequent Subordination Agent Incumbency Certificate, it shall be entitled to rely on the last Subordination Agent Incumbency Certificate delivered to it hereunder.

(b) With the delivery of this Agreement, each Trustee shall furnish to the Subordination Agent, and from time to time thereafter may furnish to the Subordination Agent, at such Trustee's discretion, or upon the Subordination Agent's request (which request shall not be made more than one time in any 12-month period), a certificate (a "Trustee Incumbency Certificate") of a Responsible Officer of such Trustee certifying as to the incumbency and specimen signatures of the officers of such Trustee and the attorney-in-fact and agents of such Trustee (the "Trustee Representatives") authorized to give Written Notices on behalf of such Trustee hereunder. Until the Subordination Agent receives a subsequent Trustee Incumbency Certificate, it shall be entitled to rely on the last Trustee Incumbency Certificate delivered to it hereunder.

(c) With the delivery of this Agreement, each Liquidity Provider and the Policy Provider shall furnish to the Subordination Agent, and from time to time thereafter may furnish to the Subordination Agent, at such Liquidity Provider's or Policy Provider's discretion, or upon the Subordination Agent's request (which request shall not be made more than one time in any 12-month period), a certificate (each, a "Provider Incumbency Certificate") of any Responsible Officer of such Liquidity Provider or Policy Provider certifying as to the

incumbency and specimen signatures of any officer, attorney-in-fact, agent or other designated representative of such Liquidity Provider or Policy Provider (in each case, the "Provider Representatives" and, together with the Subordination Agent Representatives and the Trustee Representatives, the "Designated Representatives") authorized to give Written Notices on behalf of such Liquidity Provider or Policy Provider hereunder. Until the Subordination Agent receives a subsequent Provider Incumbency Certificate, it shall be entitled to rely on the last Provider Incumbency Certificate delivered to it hereunder by the relevant Liquidity Provider or the Policy Provider.

SECTION 2.6. Controlling Party. (a) The Trustees, the Policy Provider and the Liquidity Providers hereby agree that, at any given time, the Mortgagee will be directed (i) in taking, or refraining from taking, any action under the Indenture or with respect to the Equipment Notes, so long as no Indenture Default has occurred and is continuing thereunder, by the holders of at least a majority of the outstanding principal amount of the Equipment Notes (provided that, for so long as the Subordination Agent is the registered holder of the Equipment Notes, the Subordination Agent shall act with respect to this clause (i) in accordance with the directions of the Trustees (in the case of each such Trustee, with respect to the Equipment Notes issued under such Indenture and held as Trust Property of such Trust) constituting, in the aggregate, directions with respect to at least a majority of outstanding principal amount of Equipment Notes except as provided in Section 9.1(b)), and (ii) after the occurrence and during the continuance of an Indenture Default thereunder, in taking, or refraining from taking, any action under the Indenture or with respect to the Equipment Notes, including exercising remedies thereunder (including Accelerating the Equipment Notes issued thereunder or foreclosing the Lien on the Collateral), by the Controlling Party.

(b) The Person who shall be the "Controlling Party" with respect to the Indenture upon the occurrence of an Indenture Default shall be (x) the Policy Provider (or, (i) if any Policy Provider Default shall have occurred and be continuing or (ii) the Policy has been surrendered to the Policy Provider for cancellation thereby releasing the Policy Provider from its obligations under the Policy and all Policy Provider Amounts (other than any amount referred to in clause (c) of the definition of Excess Reimbursement Obligations) have been paid in full as set forth in clause (d) below, the Class G Trustee); and (y) upon (i) payment of Final Distributions to the holders of Class G Certificates and (ii) unless a Policy Provider Default shall have occurred and be continuing, payment of all Policy Provider Amounts (other than Excess Reimbursement Obligations) to the Policy Provider, the Class B Trustee; provided, that if the Policy Provider makes a payment in full on a Policy Drawing in respect of an Avoided Payment after the payment of the Final Distributions to the Class G Certificateholders, so long as no Policy Provider Default has occurred and is continuing, the Policy Provider will be the Controlling Party until no Policy Provider Amounts (other than any Excess Reimbursement Obligations) remain outstanding, and thereafter, the Class B Trustee. For purposes of giving effect to the provisions of Section 2.6(a) and this Section 2.6(b), the Trustees (other than the Controlling Party) irrevocably agree (and the Certificateholders (other than the Certificateholders represented by the Controlling Party) shall be deemed to agree by virtue of their purchase of Certificates) that the Subordination Agent, as record holder of the Equipment Notes, and subject always to the provisions of Article IX hereof, shall exercise its voting rights in respect of the Equipment Notes as directed by the Controlling Party and any vote so exercised shall be binding upon the Trustees and all Certificateholders.

The Subordination Agent shall give Written Notice to all of the other parties to this Agreement promptly upon a change in the identity of the Controlling Party. Each of the parties hereto agrees that it shall not exercise any of the rights of the Controlling Party at such time as it is not the Controlling Party hereunder; provided, however, that nothing herein contained shall prevent or prohibit any Non-Controlling Party from exercising such rights as shall be specifically granted to such Non-Controlling Party hereunder and under the other Operative Agreements.

(c) Notwithstanding the foregoing, at any time after the Liquidity Provider Reimbursement Date, if a Policy Provider Default attributable to a failure to make a payment referred to in Section 3.6(d) shall have occurred and be continuing, the Primary Liquidity Provider (so long as the Primary Liquidity Provider has not defaulted in its obligation to make any Drawing under the Primary Liquidity Facility) shall have the right to elect, by Written Notice to the Subordination Agent, each of the Trustees and the Policy Provider, to become the Controlling Party hereunder at any time from and including the Liquidity Provider Reimbursement Date; provided, however, that if the Policy Provider subsequently pays to the Primary Liquidity Provider all outstanding Drawings, together with accrued interest thereon, under the Primary Liquidity Facility, then, the Person determined in accordance with Section 2.6(b), rather than the Primary Liquidity Provider, shall be the Controlling Party.

(d) Subject to clause (b) above and the rights of the Primary Liquidity Provider under clause (c) above, following the surrender of the Policy to the Policy Provider for cancellation and the payment in full of all Policy Provider Amounts (other than any amount referred to in clause (c) of the definition of Excess Reimbursement Obligations), all in accordance with Section 5.01 of the Class G Trust Supplement and, if applicable, Section 5.01 of the Class B Trust Supplement, the Class G Trustee shall be the Controlling Party. Upon the delivery of the Policy to the Policy Provider for cancellation, the Policy Provider shall be released from its obligations under the Policy.

(e) The exercise of remedies by the Controlling Party under this Agreement shall be expressly limited by Section 4.1(a)(ii) hereof.

(f) The Controlling Party shall not be entitled to require or obligate any Non-Controlling Party to provide funds necessary to exercise any right or remedy hereunder.

ARTICLE III

RECEIPT, DISTRIBUTION AND APPLICATION OF AMOUNTS RECEIVED

SECTION 3.1. Written Notice of Distribution. (a) No later than 3:00 P.M. (New York City time) on the Business Day immediately preceding each Distribution Date, each of the following Persons shall deliver to the Subordination Agent a Written Notice setting forth the following information as at the close of business on such Business Day:

(i) With respect to the Class G Certificates, the Class G Trustee shall separately set forth the amounts to be paid in accordance with clause "first" (to reimburse

payments made by such Trustee or the Class G Certificateholders, as the case may be, pursuant to subclause (ii) or (iv) of clause "first"), subclauses (ii) and (iii) of clause "seventh" of Section 3.2 hereof and clause "eighth" of Section 3.2 hereof;

(ii) With respect to the Class B Certificates, the Class B Trustee shall separately set forth the amounts to be paid in accordance with clause "first" (to reimburse payments made by such Trustee or the Class B Certificateholders, as the case may be, pursuant to subclause (ii) or (iv) of clause "first"), subclauses (ii) and (iii) of clause "seventh" of Section 3.2 hereof and clause "tenth" of Section 3.2 hereof;

(iii) The Primary Liquidity Provider shall separately set forth the amounts to be paid to it in accordance with subclause (iv) of clause "first", subclause (i) of clause "second", subclause (i) of clause "third", subclause (I) of clause "fourth" and clause "fifth" of Section 3.2 hereof;

(iv) The Policy Provider shall (A) separately set forth the amounts to be paid to it in accordance with subclauses (iii) and (iv) of clause "first", subclause (ii) of clause "second", subclauses (ii) and (iii) of clause "third", subclause (II) of clause "fourth", clause "ninth" and clause "eleventh" of Section 3.2 hereof and (B) confirm to the Subordination Agent that none of the amounts referred to in this clause (iv) have been previously paid by Continental after demand therefor under any Policy Provider Document; and

(v) Each Trustee shall set forth the amounts to be paid in accordance with clause "seventh" of Section 3.2 hereof.

The notices required under this Section 3.1(a) may be in the form of a schedule or similar document provided to the Subordination Agent by the parties referenced therein or by any one of them, which schedule or similar document may state that, unless there has been a prepayment of the Certificates, such schedule or similar document is to remain in effect until any substitute notice or amendment shall be given to the Subordination Agent by the party providing such notice.

(b) Following the occurrence of a Triggering Event, the Subordination Agent shall request the following information from the following Persons, and each of the following Persons shall, upon the request of the Subordination Agent, deliver a Written Notice to the Subordination Agent setting forth for such Person the following information:

(i) With respect to the Class G Certificates the Class G Trustee shall separately set forth the amounts to be paid in accordance with clause "first" (to reimburse payments made by such Trustee or the Class G Certificateholders pursuant to subclause (ii) or (iv) of clause "first"), subclauses (ii) and (iii) of clause "seventh" of Section 3.2 hereof and clause "eighth" of Section 3.2 hereof;

(ii) With respect to the Class B Certificates, the Class B Trustee shall separately set forth the amounts to be paid in accordance with clause "first" (to reimburse payments made by such Trustee or the Class B Certificateholders, as the case may be;

(iv) The Primary Liquidity Provider shall separately set forth the amounts to be paid to it in accordance with subclause (iv) of clause "first" of Section 3.2 hereof, subclause (i) of clause "second" of Section 3.2 hereof, subclause (i) of clause "third" of Section 3.2 hereof, subclause (I) of clause "fourth" of Section 3.2 hereof and clause "fifth" of Section 3.2 hereof;

(v) The Policy Provider shall (A) separately set forth amounts to be paid to it in accordance with subclauses (iii) and (iv) of clause "first" of Section 3.2 hereof, subclause (ii) of clause "second" of Section 3.2 hereof, subclauses (ii) and (iii) of clause "third" of Section 3.2 hereof, subclause (II) of clause "fourth" of Section 3.2 hereof, clause "ninth" of Section 3.2 hereof and clause "eleventh" of Section 3.2 hereof and (B) confirm to the Subordination Agent that none of the amounts referred to in this clause (v) have been previously paid by Continental after demand therefor under any Policy Provider Document; and

(vi) Each Trustee shall set forth the amounts to be paid in accordance with clause "seventh" of Section 3.2 hereof.

(c) At such time as a Trustee, the Primary Liquidity Provider or the Policy Provider shall have received all amounts owing to it (and, in the case of a Trustee, the Certificateholders for which it is acting) pursuant to Section 3.2 or 3.6 hereof, as applicable, and, in the case of the Primary Liquidity Provider or the Policy Provider, its commitment or obligations under the Primary Liquidity Facility or the Policy, as the case may be, shall have terminated or expired, such Person shall, by a Written Notice, so inform the Subordination Agent and each other party to this Agreement.

(d) As provided in Section 6.5 hereof, the Subordination Agent shall be fully protected in relying on any of the information set forth in a Written Notice provided by any Trustee, the Primary Liquidity Provider or the Policy Provider pursuant to paragraphs (a) through (c) above and shall have no independent obligation to verify, calculate or recalculate any amount set forth in any Written Notice delivered in accordance with such paragraphs.

(e) Any Written Notice delivered by a Trustee, the Primary Liquidity Provider, the Policy Provider or the Subordination Agent, as applicable, pursuant to Section 3.1(a), 3.1(b), 3.1(c) or 3.6 hereof, if made prior to 10:00 A.M. (New York City time) on any Business Day, shall be effective on the date delivered (or if delivered later on a Business Day or if delivered on a day which is not a Business Day shall be effective as of the next Business Day). Subject to the terms of this Agreement, the Subordination Agent shall as promptly as practicable comply with any such instructions; provided, however, that any transfer of funds pursuant to any instruction received after 10:00 A.M. (New York City time) on any Business Day may be made on the next succeeding Business Day.

(f) In the event the Subordination Agent shall not receive from any Person any information set forth in paragraph (a) or (b) above which is required to enable the Subordination Agent to make a distribution to such Person pursuant to Section 3.2 hereof, the Subordination Agent shall request such information and, failing to receive any such information, the Subordination Agent shall not make such distribution(s) to such Person. In such event, the

Subordination Agent shall make distributions pursuant to clauses "first" through "thirteenth" of Section 3.2 to the extent it shall have sufficient information to enable it to make such distributions, and shall continue to hold any funds remaining, after making such distributions, until the Subordination Agent shall receive all necessary information to enable it to distribute any funds so withheld.

(g) On such dates (but not more frequently than monthly) as the Primary Liquidity Provider, the Policy Provider or any Trustee shall request, but in any event automatically at the end of each calendar quarter, the Subordination Agent shall send to such party a written statement reflecting all amounts on deposit with the Subordination Agent pursuant to Section 3.1(f) hereof.

SECTION 3.2. Distribution of Amounts on Deposit in the Collection Account. Except as otherwise provided in Sections 2.4(c), 3.1(f), 3.3, 3.5(b), 3.5(k) and 3.6, amounts on deposit in the Collection Account (or, in the case of any Special Payment, on deposit in the Special Payments Account) shall be promptly distributed on each Regular Distribution Date (or, in the case of any Special Payment, on the Special Distribution Date thereof) in the following order of priority and in accordance with the information provided to the Subordination Agent pursuant to Section 3.1(a) or (b), as applicable:

first, such amount as shall be required to reimburse (i) the Subordination Agent for any reasonable out-of-pocket costs and expenses actually incurred by it (to the extent not previously reimbursed) in the protection of, or the realization of the value of, the Equipment Notes or any Collateral, shall be applied by the Subordination Agent in reimbursement of such costs and expenses, (ii) each Trustee for any amounts of the nature described in clause (i) above actually incurred by it under the applicable Trust Agreement (to the extent not previously reimbursed), shall be distributed to such Trustee, (iii) the Policy Provider for any amounts of the nature described in clause (i) above actually incurred by it under the Policy Provider Agreement (to the extent not previously reimbursed), shall be distributed to the Policy Provider, and (iv) the Primary Liquidity Provider, the Policy Provider or any Certificateholder for payments, if any, made by it to the Subordination Agent or any Trustee in respect of amounts described in clause (i) above, shall be distributed to the Primary Liquidity Provider, the Policy Provider or to the applicable Trustee for the account of such Certificateholder, in each such case, pro rata on the basis of all amounts described in clauses (i) through (iv) above;

second, such amount as shall be required to pay (i) all accrued and unpaid Liquidity Expenses owed to the Primary Liquidity Provider and (ii) all accrued and unpaid Policy Expenses owed to the Policy Provider, shall be distributed to the Primary Liquidity Provider and the Policy Provider pro rata on the basis of the amount of Liquidity Expenses and Policy Expenses owed to the Primary Liquidity Provider and the Policy Provider;

third, such amount as shall be required to pay (i) the aggregate amount of accrued and unpaid interest on all Liquidity Obligations (at the rate, or in the amount, provided in the Primary Liquidity Facility and determined after application of the proceeds of any Policy Drawing pursuant to Section 3.6(d) or other payment by the Policy Provider to the

Primary Liquidity Provider in respect of any interest on Drawings in accordance with the provisions of Section 2.6(c)), (ii) the aggregate amount of accrued and unpaid Policy Provider Interest Obligations and (iii) if the Policy Provider has paid pursuant to Section 3.6(d) or the proviso to Section 2.6(c) to the Primary Liquidity Provider all outstanding Drawings and interest thereon owing to the Primary Liquidity Provider under the Primary Liquidity Facility, the amount of such payments made to the Primary Liquidity Provider attributable to interest accrued on Drawings under the Primary Liquidity Facility, shall be distributed to the Primary Liquidity Provider and the Policy Provider, as the case may be, pro rata on the basis of the amounts owed to the Primary Liquidity Provider and the Policy Provider under subclauses (i), (ii) and (iii) of this clause "third";

fourth, such amount as shall be required (I)(A) if the Primary Cash Collateral Account had been previously funded as provided in Section 3.5(f), unless (i) on such Distribution Date, any Equipment Note is a Non-Performing Equipment Note and a Liquidity Event of Default shall have occurred and be continuing or (ii) a Final Drawing shall have occurred, to fund the Primary Cash Collateral Account up to its Required Amount (less the amount of any repayments of Interest Drawings under the Primary Liquidity Facility while subclause (A)(i) above is applicable) shall be deposited in the Primary Cash Collateral Account, (B) if the Primary Liquidity Facility shall become a Downgraded Facility or a Non-Extended Facility at a time when unreimbursed Interest Drawings under the Primary Liquidity Facility have reduced the Available Amount thereunder to zero, unless (i) on such Distribution Date, any Equipment Note is a Non-Performing Equipment Note and a Liquidity Event of Default shall have occurred and be continuing or (ii) a Final Drawing shall have occurred, to deposit into the Primary Cash Collateral Account an amount equal to the Required Amount (less the amount of any repayments of Interest Drawings under the Primary Liquidity Facility while subclause (B)(i) above is applicable) shall be deposited in the Primary Cash Collateral Account, and (C) if, with respect to the Primary Liquidity Facility, neither subclause (I)(A) nor subclause (I)(B) of this clause "fourth" are applicable, to pay in full the outstanding amount of all Liquidity Obligations then due under the Primary Liquidity Facility (other than amounts payable pursuant to clause "second" or "third" of this Section 3.2) (net of any and all payments made by the Policy Provider to the Primary Liquidity Provider) shall be paid to the Primary Liquidity Provider and (II) if the Policy Provider has paid pursuant to Section 3.6(d) or the proviso to Section 2.6(c) to the Primary Liquidity Provider all outstanding Drawings and interest thereon owing to the Primary Liquidity Provider under the Primary Liquidity Facility or if the Policy Provider has honored any Policy Drawings pursuant to Section 3.6(a) as a result of the failure of the Primary Liquidity Provider to honor Interest Drawings in accordance with Section 2.02(a) of the Primary Liquidity Facility, the amount of such payments made to the Primary Liquidity Provider in respect of principal of Drawings under the Primary Liquidity Facility and the amount of such Policy Drawings, as applicable, shall be paid to the Policy Provider, pro rata on the basis of the amounts of all such deficiencies and/or unreimbursed Liquidity Obligations payable to the Primary Liquidity Provider and the amount of such unreimbursed Policy Provider Obligations payable to the Policy Provider, in each instance, under this clause "fourth";

fifth, if any amounts are to be distributed pursuant to either subclause (I)(A) or (I)(B) of clause "fourth" above, then the Primary Liquidity Provider shall be paid the excess of (x) the aggregate outstanding amount of unreimbursed Advances (whether or not then due) over (y) the Required Amount (less the amount of any repayments of Interest Drawings under the Primary Liquidity Facility while subclause (I)(A)(i) or (I)(B)(i), as the case may be, of clause "fourth" above is applicable);

sixth, such amount as shall be required, if the Above-Cap Collateral Account had been previously funded as provided in Section 3.5(f), unless (i) on such Distribution Date, any Equipment Note is a Non-Performing Equipment Note and a Liquidity Event of Default shall have occurred and be continuing or (ii) a Final Drawing shall have occurred, to fund the Above-Cap Collateral Account up to an amount equal to the applicable Termination Amount (as recalculated on such Distribution Date) less any amount then on deposit in the Above-Cap Account shall be deposited in the Above-Cap Collateral Account;

seventh, such amount as shall be required to reimburse or pay (i) the Subordination Agent for any Tax (other than Taxes imposed on compensation paid hereunder), expense, fee, charge or other loss incurred by or any other amount payable to the Subordination Agent in connection with the transactions contemplated hereby (to the extent not previously reimbursed), shall be applied by the Subordination Agent in reimbursement of such amount, (ii) each Trustee for any Tax (other than Taxes imposed on compensation paid under the applicable Trust Agreement), expense, fee, charge, loss or any other amount payable to such Trustee under the applicable Trust Agreements (to the extent not previously reimbursed), shall be distributed to such Trustee, and (iii) each Certificateholder for payments, if any, made by it pursuant to Section 5.2 hereof in respect of amounts described in clause (i) above, shall be distributed to the applicable Trustee for the account of such Certificateholder, in each such case, pro rata on the basis of all amounts described in clauses (i) through (iii) above;

eighth, such amount as shall be required to pay in full Expected Distributions on the Class G Certificates on such Distribution Date shall be distributed to the Class G Trustee;

ninth, such amount as shall be required to pay all Policy Provider Obligations then due (other than amounts payable pursuant to clauses "first", "second", "third" and "fourth" of this Section 3.2 and any Excess Reimbursement Obligations) and amounts due under the Policy Fee Letter (other than any Early Termination Fee) shall be paid to the Policy Provider;

tenth, such amount as shall be required to pay in full Expected Distributions on the Class B Certificates on such Distribution Date shall be distributed to the Class B Trustee;

eleventh, such amount as shall be required to pay any Excess Reimbursement Obligations shall be distributed to the Policy Provider;

twelfth, such amount as shall be required, if the Above-Cap Collateral Account had been previously funded as provided in Section 3.5(f), unless (i) any Equipment Note is a Non-Performing Equipment Note and a Liquidity Event of Default shall have occurred and be continuing or (ii) a Final Drawing shall have occurred, to fund the Above-Cap Collateral Account up to an amount equal to the applicable Termination Amount (as recalculated on such Distribution Date) shall be deposited in the Above-Cap Collateral Account; and

thirteenth, the balance, if any, of any such amount remaining thereafter shall be held in the Collection Account for later distribution in accordance with this Article III.

SECTION 3.3. Other Payments. (a) Any payments received by the Subordination Agent for which no provision as to the application thereof is made in this Agreement shall be distributed by the Subordination Agent in the order of priority specified in Section 3.2 hereof.

(b) Notwithstanding the priority of payments specified in Section 3.2, in the event any Investment Earnings on amounts on deposit in the Primary Cash Collateral Account resulting from an Unapplied Provider Advance are deposited in the Collection Account or the Special Payments Account, such Investment Earnings shall be used to pay interest payable in respect of such Unapplied Provider Advance to the extent of such Investment Earnings.

(c) Except as otherwise provided in Section 3.2 hereof, if the Subordination Agent receives any Scheduled Payment after the Scheduled Payment Date relating thereto, but prior to such payment becoming an Overdue Scheduled Payment, then the Subordination Agent shall deposit such Scheduled Payment in the Collection Account and promptly distribute such Scheduled Payment in accordance with the priority of distributions set forth in Section 3.2 hereof; provided that, for the purposes of this Section 3.3(c) only, each reference in clause "eighth" and "tenth" of Section 3.2 to "Distribution Date" shall be deemed to refer to such Scheduled Payment Date.

SECTION 3.4. Payments to the Trustees, the Primary Liquidity Provider and Policy Provider. Any amounts distributed hereunder to the Primary Liquidity Provider or Policy Provider shall be paid to the Primary Liquidity Provider or Policy Provider by wire transfer of funds to the address the Primary Liquidity Provider or Policy Provider shall provide to the Subordination Agent. The Subordination Agent shall provide a Written Notice of any such transfer to the Primary Liquidity Provider or Policy Provider, as the case may be, at the time of such transfer. Any amounts distributed hereunder by the Subordination Agent to any Trustee which shall not be the same institution as the Subordination Agent shall be paid to such Trustee by wire transfer funds at the address such Trustee shall provide to the Subordination Agent.

SECTION 3.5. Liquidity Facilities. (a) Interest Drawings and Above-Cap Payments. If on any Distribution Date, after giving effect to the subordination provisions of this Agreement, the Subordination Agent shall not have sufficient funds for the payment of any amounts due and owing in respect of accrued interest on the Class G Certificates (at the Stated Interest Rate for the Class G Certificates calculated assuming that Continental will not cure any Payment Default), then, prior to 12:00 p.m. (New York City time) on such Distribution Date, (i)

the Subordination Agent shall request a drawing (each such drawing, an "Interest Drawing") under the Primary Liquidity Facility (and concurrently with the making of such request, the Subordination Agent will give notice to the Policy Provider of such insufficiency of funds) in an amount equal to the lesser of (x) an amount sufficient to pay the amount of such accrued interest (at the Stated Interest Rate for the Class G Certificates calculated assuming that Continental will not cure any Payment Default) and (y) the Available Amount under the Primary Liquidity Facility, and shall pay such amount to the Class G Trustee in payment of such accrued interest; and (ii) if LIBOR for the Interest Period ending on such Distribution Date (or, if such Distribution Date is not the last day of an Interest Period, LIBOR for the Interest Period including such Distribution Date) exceeds Capped LIBOR and if the Stated Interest Rate for the Class G Certificates for the Interest Period ending on such Distribution Date (or, if such Distribution Date is not the last day of an Interest Period, the Stated Interest Rate for the Interest Period including such Distribution Date) exceeds the Capped Interest Rate, the Subordination Agent shall (if it can make the certification described in the last sentence of this Section 3.5(a) and the Above-Cap Liquidity Facility has not been terminated or expired in accordance with its terms) request an interest rate cap payment (each such payment, an "Above-Cap Payment") under the Above-Cap Liquidity Facility for credit to the Above-Cap Account in an amount equal to the excess of (1) the product of (x) the difference between LIBOR for the Interest Period ending on such Distribution Date (or, if such Distribution Date is not the last day of an Interest Period, LIBOR for the Interest Period including such Distribution Date) and Capped LIBOR, multiplied by (y) the Pool Balance with respect to the Class G Certificates as of such Distribution Date (and before giving effect to any distribution on such date), multiplied by (z) the actual number of days elapsed in such Interest Period to such Distribution Date divided by 360 over (2) the amount, if any, on deposit in the Above-Cap Account, and upon the receipt thereof the Subordination Agent shall immediately deposit such Above-Cap Payment into the Above-Cap Account. If the Interest Drawing on such Distribution Date pursuant to clause (i) above with respect to the Class G Certificates, together with all other amounts available to the Subordination Agent on such Distribution Date (after giving effect to the subordination provisions of this Agreement and any withdrawals from the Primary Cash Collateral Account), is insufficient to pay accrued interest (at the applicable Stated Interest Rate with respect to the Class G Certificates) payable with respect to the Class G Certificates on such Distribution Date (such deficiency, the "Deficiency Amount"), the Subordination Agent shall, prior to 4:00 p.m. (New York City time) on such Distribution Date, withdraw (each, an "Above-Cap Withdrawal") from the Above-Cap Account an amount equal to the lesser of (x) such Deficiency Amount and (y) the amount on deposit in the Above-Cap Account (including any amounts deposited, or to be deposited, on such Distribution Date pursuant to clause (ii) above), and shall pay such amount to the Class G Trustee in payment of such accrued interest with respect to the Class G Certificates. In connection with a request for an Above-Cap Payment under the Above-Cap Liquidity Facility pursuant to clause (ii) above, the Subordination Agent shall certify to the Above-Cap Liquidity Provider that at least one of the following statements is true as of such Distribution Date: (i) the Available Amount under the Primary Liquidity Facility (prior to giving effect to any Interest Advances to be made on such Distribution Date) is greater than zero; or (ii) the amount on deposit in the Primary Cash Collateral Account (prior to giving effect to any withdrawal to be made from such account on such Distribution Date) is greater than zero.

(b) Application of Interest Drawings and Above-Cap Withdrawals. Notwithstanding anything to the contrary contained in this Agreement, (i) all payments received

by the Subordination Agent in respect of an Interest Drawing under the Primary Liquidity Facility and all amounts withdrawn by the Subordination Agent from the Primary Cash Collateral Account, and payable in each case to the Class G Certificateholders or the Class G Trustee, shall be promptly distributed to the Class G Trustee, provided that if (x) the Subordination Agent shall receive any amount in respect of an Interest Drawing under the Primary Liquidity Facility or a withdrawal from the Primary Cash Collateral Account to pay Accrued Class G Interest after such Accrued Class G Interest has been fully paid to the Class G Trustee by a Policy Drawing under the Policy pursuant to Section 3.6(a) hereof or (y) the Subordination Agent shall receive any amount in respect of a Policy Drawing under the Policy pursuant to Section 3.6(a) hereof to fully pay Accrued Class G Interest after such Accrued Class G Interest has been paid (in full or in part) to the Class G Trustee by an Interest Drawing under the Primary Liquidity Facility or a withdrawal from the Primary Cash Collateral Account, the Subordination Agent, in the case of either clause (x) or (y), shall pay an amount equal to the amount of such Interest Drawing or withdrawal directly to the Policy Provider as reimbursement of such Policy Drawing rather than to the Class G Certificateholders or the Class G Trustee (except for any such amount constituting an Election Interest Payment with respect to the Series G Equipment Note, which shall be paid directly to the Primary Liquidity Provider as reimbursement for such Interest Drawing or to the Primary Cash Collateral Account as replenishment for such withdrawal, as applicable), and (ii) all payments received by the Subordination Agent in respect of an Above-Cap Withdrawal from the Above-Cap Account, and payable to the Class G Certificateholders or the Class G Trustee, shall be promptly distributed to the Class G Trustee, provided that if (x) the Subordination Agent shall receive any amount in respect of such Above-Cap Withdrawal to pay Accrued Class G Interest after such Accrued Class G Interest has been fully paid to the Class G Trustee by a Policy Drawing under the Policy pursuant to Section 3.6(a) hereof or (y) the Subordination Agent shall receive any amount in respect of a Policy Drawing under the Policy pursuant to Section 3.6(a) hereof to fully pay Accrued Class G Interest after such Accrued Class G Interest has been paid (in full or in part) to the Class G Trustee by an Above-Cap Withdrawal, the Subordination Agent, in the case of either clause (x) or (y), shall pay an amount equal to the amount of such Above-Cap Withdrawal directly to the Policy Provider as reimbursement of such Policy Drawing rather than to the Class G Certificateholders or the Class G Trustee.

(c) Downgrade Drawings. (i) The Subordination Agent shall request a Downgrade Drawing under the Primary Liquidity Facility as provided in Section 3.5(c)(iii), if at any time a Downgrade Event shall have occurred with respect to the Primary Liquidity Facility (a "Downgraded Facility"), unless an event described in Section 3.5(c)(ii) occurs with respect to the Primary Liquidity Facility.

(ii) If at any time the Primary Liquidity Facility becomes a Downgraded Facility, the Subordination Agent shall request a Downgrade Drawing thereunder in accordance with Section 3.5(c)(iii), unless the Primary Liquidity Provider or Continental arranges for a Replacement Primary Liquidity Provider to issue and deliver a Replacement Primary Liquidity Facility to the Subordination Agent within 10 days of a Downgrade Event (but not later than the expiration date of such Downgraded Facility).

(iii) Upon the occurrence of any Downgrade Event with respect to the Primary Liquidity Facility, unless any event described in Section 3.5(c)(ii) occurs with respect

thereto, the Subordination Agent shall, on the 10th day referred to in Section 3.5(c)(ii) (or if such 10th day is not a Business Day, on the next succeeding Business Day) (or, if earlier, the expiration date of such Downgraded Facility), request a drawing in accordance with and to the extent permitted by such Downgraded Facility (such drawing, a "Downgrade Drawing") of the Available Amount thereunder. Amounts drawn pursuant to a Downgrade Drawing shall be maintained and invested as provided in Section 3.5(f) hereof. The Primary Liquidity Provider may also arrange for a Replacement Primary Liquidity Provider to issue and deliver a Replacement Primary Liquidity Facility at any time after such Downgrade Drawing so long as such Downgrade Drawing has not been reimbursed in full to the Primary Liquidity Provider.

(iv) If a Termination Event, a Credit Downgrade or a Credit Support Event (each such event, a "Mandatory Termination Event") shall occur under the Above-Cap Liquidity Facility, the Above-Cap Liquidity Provider shall provide prompt notice of such Mandatory Termination Event in writing to Continental, the Subordination Agent, the Policy Provider, the Class G Trustee and the Class B Trustee, and within the time period specified in the Above-Cap Liquidity Facility (but in no event later than the expiration date of the Above-Cap Liquidity Facility) Continental or the Above-Cap Liquidity Provider may, in each case at its own expense, arrange for one or more Replacement Above-Cap Liquidity Providers to issue and deliver a Replacement Above-Cap Liquidity Facility to the Subordination Agent. In the event that the Above-Cap Liquidity Provider or Continental makes arrangements for a Replacement Above-Cap Liquidity Facility in accordance with the terms of the Above-Cap Liquidity Facility, (y) the Subordination Agent shall, if and to the extent so requested by the Above-Cap Liquidity Provider or Continental, execute and deliver any certificate or other instrument required to give effect to such replacement and (z) each of the parties hereto shall enter into any amendments to this Agreement necessary to give effect to such replacement. If the Above-Cap Liquidity Facility is subject to a Mandatory Termination Event and has not been replaced in accordance with its terms and the terms of this paragraph or if an Early Termination Date has been designated under the Above-Cap Liquidity Facility after the occurrence of an Event of Default (as defined in the Above-Cap Liquidity Facility) which is not otherwise a Mandatory Termination Event, the Above-Cap Liquidity Provider shall, on the applicable Early Termination Date, pay to the Subordination Agent, for the benefit of the Class G Trustee on behalf of the Class G Certificateholders, the applicable Termination Amount for credit to the Above-Cap Collateral Account, to be applied as provided in Section 3.5(f) hereof plus the amount of all other unpaid sums due and payable by the Above-Cap Liquidity Provider thereunder on or prior to such date, and upon such payment, the Above-Cap Liquidity Facility shall be terminated. Nothing contained herein shall limit the rights of the Above-Cap Liquidity Provider to transfer its rights and obligations under the Above-Cap Liquidity Facility or otherwise arrange for a Replacement Above-Cap Liquidity Facility, subject to and in accordance with the provisions of the Above-Cap Liquidity Facility.

(d) Non-Extension Drawings. If the Primary Liquidity Facility is scheduled to expire on a date (the "Stated Expiration Date") prior to the date that is 15 days after the Final Legal Distribution Date for the Class G Certificates, then, no earlier than the 60th day and no later than the 40th day prior to the then Stated Expiration Date, the Subordination Agent shall request that the Primary Liquidity Provider extend the Stated Expiration Date until the earlier of (i) the date which is 15 days after such Final Legal Distribution Date and (ii) the date that is the day immediately preceding the 364th day occurring after the last day of the applicable Consent

Period (as hereinafter defined) (unless the obligations of the Primary Liquidity Provider under the Primary Liquidity Facility are earlier terminated in accordance with the Primary Liquidity Facility). Whether or not the Primary Liquidity Provider has received a request from the Subordination Agent, the Primary Liquidity Provider shall advise the Subordination Agent, no earlier than the 40th day (or, if earlier, the date of the Primary Liquidity Provider's receipt of such request, if any, from the Subordination Agent) and no later than the 25th day prior to the Stated Expiration Date then in effect for the Primary Liquidity Facility (such period, with respect to the Primary Liquidity Facility, the "Consent Period"), whether, in its sole discretion, it agrees to extend such Stated Expiration Date.

If (A) on or before the date on which such Consent Period ends, the Primary Liquidity Facility shall not have been replaced in accordance with Section 3.5(e) and (B) the Primary Liquidity Provider fails irrevocably and unconditionally to advise the Subordination Agent on or before the date on which such Consent Period ends that such Stated Expiration Date then in effect shall be so extended for the Primary Liquidity Facility, the Subordination Agent shall, on the date on which such Consent Period ends (or as soon as possible thereafter), in accordance with the terms of the expiring Primary Liquidity Facility (a "Non-Extended Facility"), request a drawing under the expiring Primary Liquidity Facility (such drawing, a "Non-Extension Drawing") of all available and undrawn amounts thereunder. Amounts drawn pursuant to a Non-Extension Drawing shall be maintained and invested in accordance with Section 3.5(f) hereof.

(e) Issuance of Replacement Primary Liquidity Facility. (i) At any time, Continental may, at its option, with cause or without cause, arrange for a Replacement Primary Liquidity Facility to replace the Primary Liquidity Facility (including any Replacement Primary Liquidity Facility provided pursuant to Section 3.5(e)(ii) hereof); provided, however, that the initial Primary Liquidity Provider for the Primary Liquidity Facility shall not be replaced by Continental as the Primary Liquidity Provider without the consent of such initial Primary Liquidity Provider unless (A) there shall have become due to the initial Primary Liquidity Provider, or the initial Primary Liquidity Provider shall have demanded, amounts pursuant to Section 3.01, 3.02 or 3.03 of the Primary Liquidity Facility and the replacement of such initial Primary Liquidity Provider would reduce or eliminate the obligation to pay such amounts or Continental determines in good faith that there is a substantial likelihood that the initial Primary Liquidity Provider will have the right to claim any such amounts (unless such initial Primary Liquidity Provider waives, in writing, any right it may have to claim such amounts), which determination shall be set forth in a certificate delivered by Continental to such initial Primary Liquidity Provider setting forth the basis for such determination and accompanied by an opinion of outside counsel selected by Continental and reasonably acceptable to such initial Primary Liquidity Provider verifying the legal conclusions, if any, of such certificate relating to such basis, provided that, in the case of any likely claim for such amounts based upon any proposed, or proposed change in, law, rule, regulation, interpretation, directive, requirement, request or administrative practice, such opinion may assume the adoption or promulgation of such proposed matter, (B) it shall become unlawful or impossible for the initial Primary Liquidity Provider (or its Lending Office) to maintain or fund its LIBOR Advances as described in Section 3.10 of the Primary Liquidity Facility, (C) the Primary Liquidity Facility of such initial Primary Liquidity Provider shall become a Downgraded Facility or a Non-Extended Facility or a Downgrade Drawing or a Non-Extension Drawing shall have occurred under the Primary Liquidity Facility

of such initial Primary Liquidity Provider or (D) the initial Primary Liquidity Provider shall have breached any of its payment (including, without limitation, funding) obligations under the Primary Liquidity Facility in respect of which it is the Primary Liquidity Provider. If such Replacement Primary Liquidity Facility is provided at any time after a Downgrade Drawing or Non-Extension Drawing has been made, all funds on deposit in the Primary Cash Collateral Account will be returned to the Primary Liquidity Provider being replaced.

(ii) If the Primary Liquidity Provider shall determine not to extend its Primary Liquidity Facility in accordance with Section 3.5(d), then the Primary Liquidity Provider may, at its option, arrange for a Replacement Primary Liquidity Facility to replace the Primary Liquidity Facility during the period no earlier than 40 days and no later than 25 days prior to the then effective Stated Expiration Date of the Primary Liquidity Facility. In addition, so long as the initial Primary Liquidity Provider for the Primary Liquidity Facility is the Primary Liquidity Provider for the Primary Liquidity Facility, at any time after a Non-Extension Drawing has been made under the Primary Liquidity Facility, the Primary Liquidity Provider may, at its option, arrange for a Replacement Primary Liquidity Facility to replace the Primary Liquidity Facility.

(iii) No Replacement Primary Liquidity Facility arranged by Continental or the Primary Liquidity Provider in accordance with clause (i) or (ii) above or pursuant to Section 3.5(c), respectively, shall become effective and no such Replacement Primary Liquidity Facility shall be deemed a "Primary Liquidity Facility" under the Operative Agreements, unless and until (A) each of the conditions referred to in sub-clauses (iv)(x) and (z) below shall have been satisfied, (B) if such Replacement Primary Liquidity Facility shall materially adversely affect the rights, remedies, interests or obligations of the Class G Certificateholders or the Class B Certificateholders under any of the Operative Agreements, the applicable Trustee shall have consented, in writing, to the execution and issuance of such Primary Replacement Liquidity Facility and (C) in the case of a Primary Replacement Liquidity Facility arranged by the Primary Liquidity Provider under Section 3.5(e)(ii) or pursuant to Section 3.5(c), such Replacement Primary Liquidity Facility is acceptable to Continental.

(iv) In connection with the issuance of each Replacement Primary Liquidity Facility, the Subordination Agent shall (x) prior to the issuance of such Replacement Primary Liquidity Facility, obtain written confirmation from each Rating Agency that such Replacement Primary Liquidity Facility will not cause a reduction, withdrawal or suspension of any rating then in effect for any Class of Certificates by such Rating Agency (without regard to any downgrading of any rating of any Primary Liquidity Provider being replaced pursuant to Section 3.5(c) hereof and, without regard to the Policy) and the written consent of the Policy Provider (which consent will not be unreasonably withheld or delayed), (y) pay all Liquidity Obligations then owing to the replaced Primary Liquidity Provider (which payment shall be made first from available funds in the Primary Cash Collateral Account as described in clause (v) of Section 3.5(f) hereof, and thereafter from any other available source, including, without limitation, a drawing under the Replacement Primary Liquidity Facility) and (z) cause the issuer of the Replacement Primary Liquidity Facility to deliver the Replacement Primary Liquidity Facility to the Subordination Agent, together with a legal opinion opining that such Replacement Primary Liquidity Facility is an enforceable obligation of such Replacement Primary Liquidity Provider. In connection with the issuance of each Replacement Primary Liquidity Facility, the

Primary Liquidity Provider being replaced agrees to return its certified copy of the Policy to the Policy Provider prior to the issuance of such Replacement Primary Liquidity Facility.

(v) Upon satisfaction of the conditions set forth in clauses (iii) and (iv) of this Section 3.5(e) with respect to a Replacement Primary Liquidity Facility, (w) the replaced Primary Liquidity Facility shall terminate, (x) the Subordination Agent shall, if and to the extent so requested by Continental or the Primary Liquidity Provider being replaced, execute and deliver any certificate or other instrument required in order to terminate the replaced Primary Liquidity Facility, shall surrender the replaced Primary Liquidity Facility to the Primary Liquidity Provider being replaced and shall execute and deliver the Replacement Primary Liquidity Facility and any associated Fee Letter, (y) each of the parties hereto shall enter into any amendments to this Agreement necessary to give effect to (1) the replacement of the Primary Liquidity Provider with the Replacement Primary Liquidity Provider and (2) the replacement of the Primary Liquidity Facility with the Replacement Primary Liquidity Facility and (z) the Replacement Primary Liquidity Provider shall be deemed to be a Primary Liquidity Provider with the rights and obligations of the Primary Liquidity Provider hereunder and under the other Operative Agreements and such Replacement Primary Liquidity Facility shall be deemed to be the Primary Liquidity Facility hereunder and under the other Operative Agreements.

(f) Cash Collateral Accounts; Above-Cap Accounts; Withdrawals; Investments. In the event the Subordination Agent shall draw all available amounts under the Primary Liquidity Facility pursuant to Section 3.5(c), 3.5(d) or 3.5(i) hereof, or in the event amounts are to be deposited in the Primary Cash Collateral Account pursuant to subclause (i)(A) or (i)(B) of clause "fourth" of Section 3.2, amounts so drawn or to be deposited, as the case may be, shall be deposited by the Subordination Agent in the Primary Cash Collateral Account. If the Above-Cap Liquidity Provider shall at any time make a Termination Amount payment under the Above-Cap Liquidity Facility, such Termination Amount payment shall be deposited by the Subordination Agent in the Above-Cap Collateral Account, to be applied as specified below in this Section 3.5(f). All amounts on deposit in each Cash Collateral Account shall be invested and reinvested in Eligible Investments in accordance with Section 2.2(b) hereof.

On each Interest Payment Date (or, in the case of any Special Distribution Date occurring in connection with the redemption, purchase or prepayment of any Equipment Note as contemplated in Section 2.4(a) hereof occurring (a "Special Distribution Withdrawal"), on such Special Distribution Date), Investment Earnings on amounts on deposit in the Primary Cash Collateral Account (or, in the case of any Special Distribution Withdrawal, a fraction of such Investment Earnings equal to the Applicable Fraction) shall be deposited in the Collection Account (or, in the case of a Special Distribution Withdrawal, the Special Payments Account) and applied on such Interest Payment Date (or Special Distribution Date, as the case may be) in accordance with Section 3.2 or 3.3 (as applicable). Investment Earnings on amounts on deposit in the Above-Cap Collateral Account shall be credited to such account and applied in the same manner as the applicable Termination Amount payment credited thereto. Investment Earnings on amounts on deposit in the Above-Cap Account shall be credited to such account and applied in the same manner as Above-Cap Payments credited thereto. The Subordination Agent shall deliver a written statement to Continental, each Liquidity Provider and the Policy Provider one day prior to each Interest Payment Date and Special Distribution Date setting forth the aggregate amount of Investment Earnings held in the Cash Collateral Accounts as of such date. The

Subordination Agent shall also deliver a written statement to Continental, each Liquidity Provider and the Policy Provider one day after each Distribution Date on which amounts have been deposited in the Above-Cap Account and/or withdrawn from the Above-Cap Collateral Account setting forth the amount of such deposit and/or withdrawal. In addition, from and after the date funds are so deposited, the Subordination Agent shall make withdrawals from such accounts as follows:

(i) on each Distribution Date, the Subordination Agent shall, to the extent it shall not have received funds to pay accrued and unpaid interest due and owing on the Class G Certificates (at the applicable Stated Interest Rate for the Class G Certificates) after giving effect to the subordination provisions of this Agreement, (A) withdraw from the Primary Cash Collateral Account, and pay to the Class G Trustee, an amount equal to the lesser of (x) an amount necessary to pay accrued and unpaid interest (at the applicable Stated Interest Rate for the Class G Certificates) on such Class G Certificates and (y) the amount on deposit in the Primary Cash Collateral Account and (B) if an "Above-Cap Payment" would have been required to be made on such Distribution Date pursuant to the terms of the Above-Cap Liquidity Facility were such Liquidity Facility still in effect, withdraw from the Above-Cap Collateral Account and deposit in the Above-Cap Account, an amount (if any) equal to the lesser of (x) an amount equal to such Above-Cap Payment and (y) the amount on deposit in the Above-Cap Collateral Account;

(ii) on each date on which the Pool Balance of the Class G Trust shall have been reduced by payments made to the Class G Certificateholders pursuant to Section 3.2 hereof or otherwise, the Subordination Agent shall withdraw from the Primary Cash Collateral Account such amount as is necessary so that, after giving effect to the reduction of the Pool Balance on such date (and any reduction in the amounts on deposit in the Primary Cash Collateral Account resulting from a prior withdrawal of amounts on deposit in the Primary Cash Collateral Account on such date) and any transfer of Investment Earnings from such Cash Collateral Account to the Collection Account or the Special Payments Account on such date, an amount equal to the sum of the Required Amount plus (if on a Distribution Date not coinciding with an Interest Payment Date) Investment Earnings on deposit in the Primary Cash Collateral Account (after giving effect to any such transfer of Investment Earnings) will be on deposit in the Primary Cash Collateral Account and shall first, pay such withdrawn amount to the Primary Liquidity Provider until the Liquidity Obligations owing to the Primary Liquidity Provider shall have been paid in full, and second, deposit any remaining withdrawn amount in the Collection Account;

(iii) if a Replacement Primary Liquidity Facility shall be delivered to the Subordination Agent following the date on which funds have been deposited into the Primary Cash Collateral Account, the Subordination Agent shall withdraw all amounts on deposit in the Primary Cash Collateral Account and shall pay such amounts to the replaced Primary Liquidity Provider until all Liquidity Obligations owed to such Person shall have been paid in full, and shall deposit any remaining amount in the Collection Account; and

(iv) (x) following the payment of Final Distributions with respect to the Class G Certificates, on the date on which the Subordination Agent shall have been notified by the Primary Liquidity Provider that the Primary Liquidity Obligations owed to the Primary Liquidity Provider have been paid in full, the Subordination Agent shall withdraw all amounts on deposit in the Primary Cash Collateral Account and shall deposit such amount in the Collection Account and (y) on the first Business Day occurring immediately after the earlier of (1) the date of the payment of Final Distributions with respect to the Class G Certificates and (2) the Final Legal Distribution Date for the Class G Certificates (after giving effect to all distributions to be made on such date), the Subordination Agent shall pay to the Above-Cap Liquidity Provider an amount equal to the sum of the amounts (if any) on deposit in (A) the Above-Cap Account and (B) the Above-Cap Collateral Account by wire transfer of funds to the account identified by the Above-Cap Liquidity Provider in writing to the Subordination Agent.

(g) Reinstatement. With respect to any Interest Drawing under the Primary Liquidity Facility, upon the reimbursement of the Primary Liquidity Provider for all or any part of the amount of such Interest Drawing, together with any accrued interest thereon, the Available Amount of the Primary Liquidity Facility shall be reinstated by an amount equal to the amount of such Interest Drawing so reimbursed to the Primary Liquidity Provider but not to exceed the Stated Amount for the Primary Liquidity Facility; provided, however, that the Primary Liquidity Facility shall not be so reinstated in part or in full at any time if (x) any Equipment Note is a Non-Performing Equipment Note and a Liquidity Event of Default shall have occurred and be continuing or (y) a Final Drawing shall have occurred; provided further, that any payment by the Policy Provider to the Primary Liquidity Provider of any amounts pursuant to Section 3.6(d) or the proviso to Section 2.6(c) shall not reinstate the Primary Liquidity Facility, but the Primary Liquidity Facility (so long as the Primary Liquidity Facility is in effect) shall be reinstated, pro tanto, to the extent the Policy Provider receives any reimbursement in respect of such payment under clause "fourth" of Section 3.2, unless (x) any Equipment Note is a Non-Performing Equipment Note and a Liquidity Event of Default shall have occurred and be continuing or (y) a Final Drawing shall have occurred. In the event that, with respect to the Primary Liquidity Facility, (i) funds are withdrawn from the Primary Cash Collateral Account pursuant to clause (i) of Section 3.5(f) hereof or (ii) the Primary Liquidity Facility shall become a Downgraded Facility or a Non-Extended Facility at a time when unreimbursed Interest Drawings under the Primary Liquidity Facility have reduced the Available Amount thereunder to zero, then funds received by the Subordination Agent at any time other than (x) any time when a Liquidity Event of Default shall have occurred and be continuing and any Equipment Note is a Non-Performing Equipment Note or (y) any time after a Final Drawing shall have occurred, shall be deposited in such Cash Collateral Account as and to the extent provided in clause "fourth" of Section 3.2 and applied in accordance with Section 3.5(f) hereof.

(h) Reimbursement. The amount of each drawing under the Primary Liquidity Facility shall be due and payable, together with interest thereon, on the dates and at the rates, respectively, provided in the Primary Liquidity Facility. The Subordination Agent shall have no obligation to reimburse the Above-Cap Liquidity Provider for any Above-Cap Payments and the Above-Cap Liquidity Provider shall have no interest in any monies credited to any Trust Account.

(i) Final Drawing. Upon receipt from the Primary Liquidity Provider of a Termination Notice with respect to the Primary Liquidity Facility, the Subordination Agent shall, not later than the date specified in such Termination Notice, in accordance with the terms of the Primary Liquidity Facility, request a drawing under the Primary Liquidity Facility of all available and undrawn amounts thereunder (a "Final Drawing"). Amounts drawn pursuant to a Final Drawing shall be maintained and invested in accordance with Section 3.5(f) hereof.

(j) Reduction of Stated Amount. Promptly following each date on which the Required Amount of the Primary Liquidity Facility is reduced as a result of a reduction in the Pool Balance with respect to the Class G Certificates (including by reason of a Policy Provider Election) or otherwise, the Stated Amount of the Primary Liquidity Facility shall automatically be reduced to an amount equal to the Required Amount with respect to the Primary Liquidity Facility (as calculated by the Subordination Agent after giving effect to such payment).

(k) Relation to Subordination Provisions. Subject in the case of the Primary Liquidity Facility to the proviso contained in clause (i) of Section 3.5(b), Interest Drawings under the Primary Liquidity Facility and withdrawals from the Primary Cash Collateral Account and the Above-Cap Account, in each case, in respect of interest on the Class G Certificates, will be distributed to the Class G Trustee, notwithstanding Sections 2.1(b) and 3.2.

(l) Assignment of Liquidity Facility. The Subordination Agent agrees not to consent to the assignment by any Liquidity Provider of any of its rights or obligations under any Liquidity Facility or any interest therein, unless (i) Continental shall have consented to such assignment and (ii) each Rating Agency shall have provided a Ratings Confirmation in respect of such assignment and (iii) in the case of the Primary Liquidity Facility only, the Policy Provider shall have consented to such assignment (which consent shall not be unreasonably withheld or delayed); provided, that the Subordination Agent shall consent to such assignment if the conditions in the foregoing clauses (i), (ii) and (iii) are satisfied, and the foregoing is not intended to and shall not be construed to limit the rights of the Primary Liquidity Provider under Section 3.5(e)(ii).

(m) Interest Coverage. The interest payable by the Liquidity Provider under any Liquidity Facility shall include interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding.

(n) Termination upon Release of Policy. In the event that (x) one or more Class B Certificateholders elect to purchase all of the Class G Certificates pursuant to Section 5.01 of the Trust Supplements and, in connection therewith, elect to surrender the Policy to the Policy Provider for cancellation (thereby releasing the Policy Provider from its obligations under the Policy) or (y) the Class G Certificateholders shall have otherwise elected to so surrender the Policy pursuant to Section 5.01(b) of the Class G Trust Supplement, the Primary Liquidity Facility shall be terminated (such termination, the "Special Termination") upon (i) the payment of all Policy Provider Amounts (other than amounts referred to in clause (c) of the definition of Excess Reimbursement Obligations) to the Policy Provider and (ii) the payment of all outstanding Liquidity Obligations to the Primary Liquidity Provider, in each case, as required by Section 5.01 of the Trust Supplements.

SECTION 3.6. The Policy. (a) Interest Drawings. If on any Regular Distribution Date (other than the Final Legal Distribution Date) after giving effect to the application of available funds in accordance with the subordination provisions of this Agreement and to the application of Prior Funds, the Subordination Agent does not then have sufficient funds available for the payment of all amounts due and owing in respect of accrued and unpaid interest on the Class G Certificates at the applicable Stated Interest Rate (calculated assuming that Continental will not cure any Payment Default) ("Accrued Class G Interest"), then the Subordination Agent (A) prior to 12:00 p.m. (New York City time) on such Distribution Date shall deliver a Notice for Payment, as provided in the Policy, to the Policy Provider and its Fiscal Agent, requesting a Policy Drawing under the Policy (for payment into the Policy Account) in an amount sufficient to enable the Subordination Agent to pay such Accrued Class G Interest and (B) upon receipt shall pay such amount from the Policy Account to the Class G Trustee in payment of such Accrued Class G Interest.

(b) Proceeds Deficiency Drawing. If on any Special Distribution Date (which is not also an Election Distribution Date or a Special Distribution Date established pursuant to the second paragraph of Section 3.6(c)) established by the Subordination Agent by reason of its receipt of a Special Payment constituting the proceeds from the sale of the Series G Equipment Note (as to which there has been a payment default or which has been accelerated) or of the Pledged Spare Parts comprising all of the Pledged Spare Parts subject to the Lien of the Indenture at the time of such sale, as the case may be (each, a "Disposition"), after giving effect to the application of such proceeds in accordance with the subordination provisions of this Agreement and to the application of Prior Funds, the Subordination Agent does not then have sufficient funds available for (A) the payment in full of the then outstanding Pool Balance of the Class G Certificates and (B) the payment of accrued and unpaid interest thereon at the Stated Interest Rate for the Class G Certificates for the period from the immediately preceding Regular Distribution Date to such Special Distribution Date (calculated assuming that Continental will not cure any Payment Default), then the Subordination Agent (i) prior to 12:00 p.m. (New York City time) on such Special Distribution Date shall deliver a Notice for Payment, as provided in the Policy, to the Policy Provider and its Fiscal Agent, requesting a Policy Drawing under the Policy (for payment into the Policy Account) in an amount sufficient to enable the Subordination Agent to pay the outstanding Pool Balance of the Class G Certificates and the amount of such accrued and unpaid interest and (ii) upon receipt shall pay such amount from such Policy Account to the Class G Trustee in payment of such reduction in the outstanding Pool Balance of the Class G Certificates plus such accrued and unpaid interest.

(c) No Proceeds Drawing. If a Payment Default exists with respect to the Series G Equipment Note (without giving effect to any Acceleration or any payments by any Liquidity Provider or the Policy Provider) for a period of eight consecutive Interests Periods (such period, the "Default Period") (regardless of whether the Subordination Agent has received a Special Payment constituting proceeds from any Disposition during such Default Period) and continues to exist on the Regular Distribution Date on which such eighth Interest Period ends, on the 25th day following such Regular Distribution Date (or if such 25th day is not a Business Day, the next Business Day), unless a Policy Provider Election has been made, the Subordination Agent shall deliver a Notice for Payment, as provided in the Policy, to the Policy Provider and its Fiscal Agent, requesting a Policy Drawing under such Policy (for payment into the Policy Account) in an amount equal to the then outstanding principal amount of the Series G Equipment

Note (less the amount of any Policy Drawings previously paid by the Policy Provider in respect of principal) plus accrued and unpaid interest thereon at the Stated Interest Rate for the Class G Certificates (calculated assuming that Continental will not cure any Payment Default) from the immediately preceding Regular Distribution Date to such Special Distribution Date. Unless a Policy Provider Election has been made or deemed to have been made, the Subordination Agent shall promptly, but not less than 25 days prior to such Special Distribution Date, send to the Class G Trustee and the Policy Provider a Written Notice setting forth the non-receipt of any such Special Payment and establishing such Special Distribution Date as the date for the distribution of the proceeds of such Policy Drawing. No later than 12:00 p.m. (New York City time) on the specified Special Distribution Date, the Subordination Agent shall make the specified Policy Drawing and upon its receipt of the proceeds thereof pay the amount thereof from the Policy Account to the Class G Trustee in reduction of the outstanding Pool Balance of the Class G Certificates together with such accrued and unpaid interest thereon. For the avoidance of doubt, after the payment in full of such amount under this Section 3.6(c), the Subordination Agent shall have no right to make any further Policy Drawings under this Section 3.6(c) except for Avoided Payments as provided in Section 3.6(f).

Notwithstanding the foregoing, the Policy Provider has the right, by Written Notice to the Subordination Agent given at least 10 days prior to the end of any such 24-month period, so long as no Policy Provider Default shall have occurred and be continuing, to make an election (the "Policy Provider Election") (which Policy Provider Election shall be deemed to have been given on the day that is ten days prior to end of such 24-month period, unless (x) the Policy Provider shall have affirmatively elected by notice to the Subordination Agent to not make such Policy Provider Election on or prior to such day or (y) a Policy Provider Default shall have occurred and be continuing as of such day) instead (a) to pay on such Special Distribution Date an amount equal to any shortfall in the scheduled interest payable but not paid (whether by Continental or by the application of proceeds from the sale of any Collateral in connection with the exercise of remedies under the Indenture) on the Series G Equipment Note (calculated assuming that Continental will not cure any Payment Default), during such 24-month period (reduced by the amount of funds received from the Policy Provider in connection with any prior Policy Drawing made under Section 3.6(b) hereof and from the Primary Liquidity Facility, the Primary Cash Collateral Account, the Above-Cap Account or the Policy Provider to the extent of any Policy Drawings pursuant to Section 3.6(a) made as a result of a failure of the Primary Liquidity Provider to honor Interest Drawings under Section 2.02(a) of the Primary Liquidity Facility or a failure of the Above-Cap Liquidity Provider and the Liquidity Guarantor to make an Above-Cap Payment under the Above-Cap Liquidity Facility), (b) thereafter, on each Regular Distribution Date until the establishment of an Election Distribution Date or a Special Distribution Date referred to in clause (c)(i) below, to permit drawings under the Policy for an amount equal to the scheduled principal (without regard to any Acceleration thereof or any Redemption Notice that Continental has failed to honor but taking into account any adjustments previously made for redemptions) and interest payments (without regard to any funds available under the Primary Liquidity Facility, the Primary Cash Collateral Account or the Above-Cap Account and calculated assuming Continental will not cure any Payment Default) at the Stated Interest Rate for the Class G Certificates scheduled to be paid on the Series G Equipment Note on the related payment date (each such interest payment on the Series G Equipment Note, an "Election Interest Payment"), except that the Policy Provider shall not be required to pay (x) any amount in respect of principal under this clause (b) on any Regular Distribution Date (1) if it has

theretofore honored Policy Drawings under Section 3.6(b) or (c) hereof in respect of principal of the Series G Equipment Note or (2) if in connection with exercise of remedies under the Indenture there has previously been a reduction in the outstanding principal balance of the Series G Equipment Note as a result of the application of proceeds from the sale of Collateral, to the extent that after giving effect to the distribution of any such amount or proceeds or both in accordance with the provisions of this Agreement the Pool Balance of the Class G Certificates as of such Regular Distribution Date would be less than the Pool Balance of the Class G Certificates as of such Regular Distribution Date were all payments on the Series G Equipment Note to have been made by Continental when due (without regard to Acceleration or any Redemption Notice that Continental has failed to honor but taking into account any adjustments previously made for redemptions) in accordance with Schedule 1 to such Series G Equipment Note nor (y) for the avoidance of doubt, any amount in respect of interest under this clause (b) on such Regular Distribution Date other than accrued and unpaid interest (at the applicable Stated Interest Rate calculated assuming that Continental will not cure any Payment Default) on the Pool Balance of the Class G Certificates as of such Regular Distribution Date (calculated without giving effect to any Policy Drawing in respect of principal under this clause (b) on such Regular Distribution Date) and (c) (i) on any Business Day (other than a Regular Distribution Date) elected by the Policy Provider upon 20 days' Written Notice to the Subordination Agent and the Class G Trustee (which shall be a Special Distribution Date), have the right to direct the Subordination Agent, or (ii) following the occurrence of a Policy Provider Default, on any Business Day (which shall be a Special Distribution Date) specified by the Subordination Agent upon 20 days' Written Notice to the Class G Trustee (each such Business Day in the case of clause (ii) an "Election Distribution Date"), permit the Subordination Agent, in each case, to make a Policy Drawing under the Policy for an amount (as determined after giving effect to the application of available funds in accordance with the subordination provisions of this Agreement on such Special Distribution Date) equal to the then outstanding Pool Balance of the Class G Certificates and accrued and unpaid interest on such amount at the Stated Interest Rate for the Class G Certificates (calculated assuming that Continental will not cure any Payment Default) from the immediately preceding Regular Distribution Date to such Election Distribution Date or such Special Distribution Date, as the case may be, without derogation of the Policy Provider's continuing obligations for all previous Policy Drawings that remain unpaid in respect of the Series G Equipment Note. The Subordination Agent shall make each such drawing referred to in this paragraph under the Policy (for payment into the Policy Account) no later than 12:00 p.m. (New York City time) on each such date and upon its receipt of the proceeds thereof pay the amount thereof from the Policy Account to the Class G Trustee in reduction of the outstanding Pool Balance of the Class G Certificates, together with such accrued and unpaid interest thereon.

(d) Primary Liquidity Provider Drawing. On or after the Business Day which is the earliest to occur of (i) the date on which an Interest Drawing shall have been made under the Primary Liquidity Facility and remains unreimbursed for 24 months, (ii) the date on which any Downgrade Drawing, Non-Extension Drawing or Final Drawing that was deposited into the Primary Cash Collateral Account shall have been applied to pay any scheduled payment of interest on the Class G Certificates and remains unreplenished to the Primary Cash Collateral Account or unreimbursed to the Primary Liquidity Provider, as the case may be, for 24 months and (iii) the date on which all of the Equipment Notes have been Accelerated and remain unpaid for 24 months (in each case, disregarding any reimbursements from payments by the Policy Provider and from any Special Payment constituting proceeds from the sale of Equipment Notes

or Collateral during such 24-month period) (such Business Day, the “Liquidity Provider Reimbursement Date”), the Policy Provider (upon at least 20 days’ prior notice from the Subordination Agent on behalf of the Primary Liquidity Provider, which notice can be given in advance of the expiry of such 24-month period but cannot become effective until the Liquidity Provider Reimbursement Date) will be required to honor drawings under the Policy by the Subordination Agent on behalf of the Primary Liquidity Provider in an amount sufficient to repay all outstanding drawings under the Primary Liquidity Facility, together with interest accrued thereon in accordance with the Primary Liquidity Facility. The Primary Liquidity Provider hereby appoints the Subordination Agent as its agent for purposes of making the drawing pursuant to this clause (d) and clause (vii) of the definition of “Deficiency Amount” in the Policy and the Subordination Agent hereby accepts such appointment and agrees to make such drawing at the direction of the Primary Liquidity Provider and to promptly distribute all amounts received in respect of such drawing to the Primary Liquidity Provider.

(e) Final Policy Drawing. If on the Final Legal Distribution Date of the Class G Certificates after giving effect to the application of available funds in accordance with the subordination provisions of this Agreement and to the application of Prior Funds, the Subordination Agent does not then have sufficient funds available on such date for the payment in full of the Final Distributions (calculated as of such date but excluding any accrued and unpaid Premium and calculated assuming that Continental will not cure any Payment Default) on the Class G Certificates, then the Subordination Agent shall (i) prior to 12:00 p.m. (New York City time) on such date deliver a Notice for Payment, as provided in the Policy, to the Policy Provider and its Fiscal Agent, requesting a Policy Drawing under such Policy (for payment into the Policy Account) in an amount equal to the minimum amount sufficient to enable the Subordination Agent to pay the Final Distributions (calculated as of such date but excluding any accrued and unpaid Premium and calculated assuming that Continental will not cure any Payment Default) on the Class G Certificates and (ii) upon receipt pay such amount from the Policy Account to the Class G Trustee in payment of such amount.

(f) Avoidance Drawings. If at any time the Subordination Agent shall have actual knowledge of the issuance of any Order, the Subordination Agent shall promptly give notice thereof to the Class G Trustee, the Primary Liquidity Provider and the Policy Provider. The Subordination Agent shall thereupon calculate the relevant Avoided Payments resulting therefrom and shall promptly: (a) send to the Class G Trustee a Written Notice of such amounts and (b) prior to the expiration of the Policy, deliver to the Policy Provider and its Fiscal Agent a Notice of Avoided Payment under such Policy, together with a copy of the documentation required by such Policy with respect thereto, requesting a Policy Drawing thereunder (for payment to the receiver, conservator, debtor-in-possession, trustee in bankruptcy or the Subordination Agent, as applicable (for deposit into the Policy Account)) in an amount equal to the amount of relevant Avoided Payment. To the extent that any portion of such Avoided Payment is to be paid to the Subordination Agent, such Written Notice shall also set the date for the distribution of such portion of the proceeds of such Policy Drawing which date shall constitute a Special Distribution Date and shall be the earlier of three Business Days after the date of the expiration of the Policy and the Business Day that immediately follows the 25th day after the date of such Written Notice. Upon receipt, the Subordination Agent shall pay the proceeds of the specified Policy Drawing under the Policy to the Class G Trustee.

(g) Application of Policy Drawings. Notwithstanding anything to the contrary contained in this Agreement (including, without limitation, Sections 2.4 and 3.2), except as provided in Sections 3.5(b) and 3.6(d) hereof, all payments received by the Subordination Agent in respect of a Policy Drawing (including, without limitation, that portion, if any, of the proceeds of a Policy Drawing for any Avoided Payment that is to be paid to the Subordination Agent and not to any receiver, conservator, debtor-in-possession or trustee in bankruptcy as provided in the Policy) shall be promptly paid from the Policy Account to the Class G Trustee for distribution to the Class G Certificateholders.

(h) Limitation to Outstanding Pool Balance; Interest on Policy Drawings. Notwithstanding anything to the contrary in this Section 3.6, except as provided in Section 3.6(f), at no time shall the Subordination Agent make any Policy Drawing under the Policy under clause (b), (c) or (e) of this Section 3.6 in excess of the then outstanding Pool Balance of the Class G Certificates and accrued and unpaid interest at the Stated Interest Rate on the Class G Certificates (calculated assuming that Continental will not cure any Payment Default). Nothing contained in this Intercreditor Agreement shall alter or amend the liabilities, obligations, requirements or procedures of the Policy Provider under the Policy, and the Policy Provider shall not be obligated to make payment except at the times and in the amounts and under the circumstances expressly set forth in the Policy.

(i) Resubmission of Notice for Payment. If the Policy Provider at any time informs the Subordination Agent in accordance with the Policy that a Notice for Payment or Notice of Avoided Payment submitted by the Subordination Agent does not meet the requirements of such Policy, the Subordination Agent shall, as promptly as possible after being so informed, submit to the Policy Provider and its Fiscal Agent an amended and revised Notice for Payment or Notice of Avoided Payment, as the case may be, and shall pay to the Class G Trustee out of the Policy Account the amount received pursuant to such amended or revised Notice for Payment or Notice of Avoided Payment, as the case may be, when received.

(j) Subrogation. The Policy Provider will be subrogated to all of the rights of (i) the Class G Certificateholders to payment on the Class G Certificates only to the extent of payment made in respect thereof under the Policy as set forth herein and (ii) the rights of the Primary Liquidity Provider to payment under the Primary Liquidity Facility only to the extent of payment made in respect thereof under the Policy as set forth herein, such subrogation rights to be expressly subject to Section 3.2 hereof and the other provisions of this Agreement, and without duplication of any amounts payable to the Policy Provider under this Agreement or any Policy Provider Document.

(k) Interest Coverage. The interest payable by the Policy Provider under the Policy shall include interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding.

ARTICLE IV

EXERCISE OF REMEDIES

SECTION 4.1. Directions from the Controlling Party. (a) (i) Following the occurrence and during the continuation of an Indenture Default under the Indenture, the Controlling Party shall direct the Subordination Agent, which in turn shall direct the Mortgagee under the Indenture, in the exercise of remedies available to the holders of the Equipment Notes, including, without limitation, the ability to vote all the Equipment Notes in favor of Accelerating the Equipment Notes in accordance with the provisions of the Indenture. Subject to the provisions of the next paragraph, if the Equipment Notes have been Accelerated following an Indenture Default, the Controlling Party may direct the Subordination Agent to sell, assign, contract to sell or otherwise dispose of and deliver some or all of the Pledged Spare Parts or all (but not less than all) of the Equipment Notes to any Person at public or private sale, at any location at the option of the Controlling Party, all upon such terms and conditions as it may reasonably deem advisable in accordance with applicable law.

(ii) Notwithstanding the foregoing, so long as any Certificates remain Outstanding, during the period ending on the date which is nine months after the earlier of (x) the Acceleration of the Equipment Notes or (y) the occurrence of a Continental Bankruptcy Event, without the consent of each Trustee, no Pledged Spare Parts or Equipment Notes may be sold if the net proceeds from such sale would be less than the Minimum Sale Price.

(iii) At the request of the Controlling Party, the Subordination Agent shall from time to time during the continuance of an Indenture Default (and before the occurrence of a Triggering Event) commission an Appraisal with respect to the Collateral subject to the Indenture.

(iv) After a Triggering Event occurs and any Equipment Note is a Non-Performing Equipment Note, the Subordination Agent shall obtain an Appraisal with respect to the Collateral as soon as practicable and an additional Appraisal on or prior to each anniversary of the date of such initial Appraisal; provided that if the Controlling Party reasonably objects to the appraised value of the Collateral shown in such Appraisal, the Controlling Party shall have the right to obtain or cause to be obtained a substitute Appraisal (including any Appraisal based upon physical inspection of the Collateral). For the avoidance of doubt, the obligation of the Subordination Agent to obtain an Appraisal under this Section 4.1(a)(iv) shall not in any way diminish or discharge Continental's obligation to provide Appraisals under the Collateral Maintenance Agreement.

(b) Following the occurrence and during the continuance of an Indenture Default, the Controlling Party shall take such actions as it may reasonably deem most effectual to complete the sale or other disposition of the Collateral or the Equipment Notes. In addition, in lieu of any sale, assignment, contract to sell or other disposition, the Controlling Party may maintain or cause the Subordination Agent to maintain possession of the Equipment Notes and continue to apply monies received in respect of the Equipment Notes in accordance with Article III hereof. In addition, in lieu of such sale, assignment, contract to sell or other disposition, or in lieu of such maintenance of possession, the Controlling Party may, subject to the terms and

conditions of the Indenture, instruct the Mortgagee to foreclose on the Lien on the Collateral or to take any other remedial action permitted under the Indenture or under any applicable law.

SECTION 4.2. Remedies Cumulative. Each and every right, power and remedy given to the Trustees, each Liquidity Provider, the Policy Provider, the Controlling Party or the Subordination Agent specifically or otherwise in this Agreement shall be cumulative and shall be in addition to every other right, power and remedy herein specifically given or now or hereafter existing at law, in equity or by statute, and each and every right, power and remedy whether specifically herein given or otherwise existing may, subject always to the terms and conditions hereof, be exercised from time to time and as often and in such order as may be deemed expedient by any Trustee, any Liquidity Provider, the Policy Provider, the Controlling Party or the Subordination Agent, as appropriate, and the exercise or the beginning of the exercise of any power or remedy shall not be construed to be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy. No delay or omission by any Trustee, any Liquidity Provider, the Policy Provider, the Controlling Party or the Subordination Agent in the exercise of any right, remedy or power or in the pursuit of any remedy shall impair any such right, power or remedy or be construed to be a waiver of any default or to be an acquiescence therein.

SECTION 4.3. Discontinuance of Proceedings. In case any party to this Agreement (including the Controlling Party in such capacity) shall have instituted any Proceeding to enforce any right, power or remedy under this Agreement by foreclosure, entry or otherwise, and such Proceeding shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Person instituting such Proceeding, then and in every such case each such party shall, subject to any determination in such Proceeding, be restored to its former position and rights hereunder, and all rights, remedies and powers of such party shall continue as if no such Proceeding had been instituted.

SECTION 4.4. Right of Certificateholders, Liquidity Provider and the Policy Provider to Receive Payments Not to Be Impaired. Anything in this Agreement to the contrary notwithstanding but subject to each Trust Agreement, the right of any Certificateholder, any Liquidity Provider or the Policy Provider, respectively, to receive payments hereunder (including without limitation pursuant to Section 2.4 or 3.2 hereof) when due, or to institute suit for the enforcement of any such payment on or after the applicable Distribution Date, shall not be impaired or affected without the consent of such Certificateholder, Liquidity Provider or Policy Provider, respectively.

SECTION 4.5. Undertaking for Costs. In any Proceeding for the enforcement of any right or remedy under this Agreement or in any Proceeding against any Controlling Party or the Subordination Agent for any action taken or omitted by it as Controlling Party or Subordination Agent, as the case may be, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees and expenses, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. The provisions of this Section do not apply to a suit instituted by the Subordination Agent, a Liquidity Provider, the Policy Provider or a Trustee or a suit by Certificateholders holding more than 10% of the original principal amount of any Class of Certificates.

ARTICLE V

DUTIES OF THE SUBORDINATION AGENT;
AGREEMENTS OF TRUSTEES, ETC.

SECTION 5.1. Notice of Indenture Default or Triggering Event. (a) In the event the Subordination Agent shall have actual knowledge of the occurrence of an Indenture Default or a Triggering Event, as promptly as practicable, and in any event within 10 days after obtaining knowledge thereof, the Subordination Agent shall transmit by mail or courier to the Rating Agencies, the Liquidity Providers, the Policy Provider and the Trustees notice of such Indenture Default or Triggering Event, unless such Indenture Default or Triggering Event shall have been cured or waived. For all purposes of this Agreement, in the absence of actual knowledge on the part of a Responsible Officer, the Subordination Agent shall not be deemed to have knowledge of any Indenture Default or Triggering Event unless notified in writing by one or more Trustees, one or more of the Liquidity Providers, the Policy Provider or one or more Certificateholders.

(b) Other Notices. The Subordination Agent will furnish to each Liquidity Provider, the Policy Provider and each Trustee, promptly upon receipt thereof, duplicates or copies of all reports, notices, requests, demands, certificates, financial statements and other instruments furnished to the Subordination Agent as registered holder of the Equipment Notes or otherwise in its capacity as Subordination Agent to the extent the same shall not have been otherwise directly distributed to such Liquidity Provider, Policy Provider or Trustee, as applicable, pursuant to the express provision of any other Operative Agreement.

(c) Upon the occurrence of an Indenture Default, the Subordination Agent shall instruct each Trustee to, and each Trustee shall, request that DTC post on its internet bulletin board a securities position listing setting forth the names of all the parties reflected on DTC's books as holding interests in the Certificates.

(d) Reports. Promptly after the occurrence of a Triggering Event or an Indenture Default resulting from the failure of Continental to make payments on any Equipment Note and on every Regular Distribution Date while the Triggering Event or such Indenture Default shall be continuing, the Subordination Agent will provide to each Trustee, the Liquidity Providers, the Policy Provider, the Rating Agencies and Continental a statement setting forth the following information:

(i) after a Continental Bankruptcy Event, whether the Pledged Spare Parts are (A) subject to the 60-day period of Section 1110 of the Bankruptcy Code, (B) subject to an election by Continental under Section 1110(a) of the Bankruptcy Code, (C) covered by an agreement contemplated by Section 1110(b) of the Bankruptcy Code or (D) not subject to any of (A), (B) or (C);

(ii) to the best of the Subordination Agent's knowledge, after requesting such information from Continental, the location of the Pledged Spare Parts;

(iii) the current Pool Balance of each Class of Certificates and the outstanding principal amount of all Equipment Notes;

(iv) the expected amount of interest which will have accrued on the Equipment Notes and on the Certificates as of the next Regular Distribution Date;

(v) the amounts paid to each person on such Distribution Date pursuant to this Agreement;

(vi) details of the amounts paid on such Distribution Date identified by reference to the relevant provision of this Agreement and the source of payment (by party, if applicable);

(vii) if the Subordination Agent has made a Final Drawing under the Primary Liquidity Facility;

(viii) the amounts currently owed to each Liquidity Provider;

(ix) the amounts drawn under each Liquidity Facility;

(x) the amounts owed to the Policy Provider; and

(xi) after a Continental Bankruptcy Event, any operational reports filed by Continental with the bankruptcy court which are available to the Subordination Agent on a non-confidential basis.

SECTION 5.2. Indemnification. The Subordination Agent shall not be required to take any action or refrain from taking any action under Section 5.1 (other than the first sentence thereof) or Article IV hereof unless the Subordination Agent shall have been indemnified (to the extent and in the manner reasonably satisfactory to the Subordination Agent) against any liability, cost or expense (including counsel fees and expenses) which may be incurred in connection therewith. The Subordination Agent shall not be under any obligation to take any action under this Agreement and nothing contained in this Agreement shall require the Subordination Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it. The Subordination Agent shall not be required to take any action under Section 5.1 (other than the first sentence thereof) or Article IV hereof, nor shall any other provision of this Agreement be deemed to impose a duty on the Subordination Agent to take any action, if the Subordination Agent shall have been advised by counsel that such action is contrary to the terms hereof or is otherwise contrary to law.

SECTION 5.3. No Duties Except as Specified in Intercreditor Agreement. The Subordination Agent shall not have any duty or obligation to take or refrain from taking any action under, or in connection with, this Agreement, except as expressly provided by the terms of this Agreement; and no implied duties or obligations shall be read into this Agreement against the Subordination Agent. The Subordination Agent agrees that it will, in its individual capacity

and at its own cost and expense (but without any right of indemnity in respect of any such cost or expense under Sections 5.2 or 7.1 hereof) promptly take such action as may be necessary to duly discharge all Liens on any of the Trust Accounts or any monies deposited therein which result from claims against it in its individual capacity not related to its activities hereunder or any other Operative Agreement.

SECTION 5.4. Notice from the Liquidity Providers and Trustees. If any Liquidity Provider or Trustee has notice of an Indenture Default or a Triggering Event, such Person shall promptly give notice thereof to all other Liquidity Providers, the Policy Provider and Trustees and to the Subordination Agent, provided, however, that no such Person shall have any liability hereunder as a result of its failure to deliver any such notice.

ARTICLE VI

THE SUBORDINATION AGENT

SECTION 6.1. Authorization; Acceptance of Trusts and Duties. The Class G Trustee hereby designates and appoints the Subordination Agent as the agent and trustee of the Class G Trustee under the Liquidity Facilities and the Policy Provider Agreement and authorizes the Subordination Agent to enter into each Liquidity Facility and the Policy Provider Agreement as agent and trustee for the Class G Trustee. Each of the Liquidity Providers, the Policy Provider and the Trustees hereby designates and appoints the Subordination Agent as the Subordination Agent under this Agreement. WTC hereby accepts the duties hereby created and applicable to it as the Subordination Agent and agrees to perform the same but only upon the terms of this Agreement and agrees to receive and disburse all monies received by it in accordance with the terms hereof. The Subordination Agent shall not be answerable or accountable under any circumstances, except (a) for its own willful misconduct or gross negligence (or ordinary negligence in the handling of funds), (b) as provided in Sections 2.2 or 5.3 hereof and (c) for liabilities that may result from the material inaccuracy of any representation or warranty of the Subordination Agent made in its individual capacity in any Operative Agreement. The Subordination Agent shall not be liable for any error of judgment made in good faith by a Responsible Officer of the Subordination Agent, unless it is proved that the Subordination Agent was negligent in ascertaining the pertinent facts.

SECTION 6.2. Absence of Duties. The Subordination Agent shall have no duty to see to any recording or filing of this Agreement or any other document, or to see to the maintenance of any such recording or filing.

SECTION 6.3. No Representations or Warranties as to Documents. The Subordination Agent in its individual capacity does not make nor shall be deemed to have made any representation or warranty as to the validity, legality or enforceability of this Agreement or any other Operative Agreement or as to the correctness of any statement contained in any thereof, except for the representations and warranties of the Subordination Agent, made in its individual capacity, under any Operative Agreement to which it is a party. The Certificateholders, the Trustees, the Liquidity Providers and the Policy Provider make no representation or warranty hereunder whatsoever.

SECTION 6.4. No Segregation of Monies; No Interest. Any monies paid to or retained by the Subordination Agent pursuant to any provision hereof and not then required to be distributed to any Trustee, the Primary Liquidity Provider or the Policy Provider as provided in Articles II and III hereof or deposited into one or more Trust Accounts need not be segregated in any manner except to the extent required by such Articles II and III and by law, and the Subordination Agent shall not (except as otherwise provided in Section 2.2 hereof) be liable for any interest thereon; provided, however, that any payments received or applied hereunder by the Subordination Agent shall be accounted for by the Subordination Agent so that any portion thereof paid or applied pursuant hereto shall be identifiable as to the source thereof.

SECTION 6.5. Reliance; Agents; Advice of Counsel. The Subordination Agent shall not incur liability to anyone in acting upon any signature, instrument, notice, resolution, request, consent, order, certificate, report, opinion, bond or other document or paper believed by it to be genuine and believed by it to be signed by the proper party or parties. As to the Pool Balance of any Trust as of any date, the Subordination Agent may for all purposes hereof rely on a certificate signed by any Responsible Officer of the applicable Trustee, and such certificate shall constitute full protection to the Subordination Agent for any action taken or omitted to be taken by it in good faith in reliance thereon. As to any fact or matter relating to the Liquidity Providers, the Policy Provider or the Trustees the manner of ascertainment of which is not specifically described herein, the Subordination Agent may for all purposes hereof rely on a certificate, signed by any Responsible Officer of the applicable Liquidity Provider, Policy Provider or Trustee, as the case may be, as to such fact or matter, and such certificate shall constitute full protection to the Subordination Agent for any action taken or omitted to be taken by it in good faith in reliance thereon. The Subordination Agent shall assume, and shall be fully protected in assuming, that each of the Liquidity Providers, the Policy Provider and each of the Trustees are authorized to enter into this Agreement and to take all action to be taken by them pursuant to the provisions hereof, and shall not inquire into the authorization of each of the Liquidity Providers, the Policy Provider and the Trustees with respect thereto. In the administration of the trusts hereunder, the Subordination Agent may execute any of the trusts or powers hereof and perform its powers and duties hereunder directly or through agents or attorneys and may consult with counsel, accountants and other skilled persons to be selected and retained by it, and the Subordination Agent shall not be liable for the acts or omissions of any agent appointed with due care or for anything done, suffered or omitted in good faith by it in accordance with the advice or written opinion of any such counsel, accountants or other skilled persons.

SECTION 6.6. Capacity in Which Acting. The Subordination Agent acts hereunder solely as agent and trustee herein and not in its individual capacity, except as otherwise expressly provided in the Operative Agreements.

SECTION 6.7. Compensation. The Subordination Agent shall be entitled to reasonable compensation, including expenses and disbursements, for all services rendered hereunder and shall have a priority claim to the extent set forth in Article III hereof on all monies collected hereunder for the payment of such compensation, to the extent that such compensation shall not be paid by others. The Subordination Agent agrees that it shall have no right against any Trustee, Liquidity Provider or the Policy Provider for any fee as compensation for its

services as agent under this Agreement. The provisions of this Section 6.7 shall survive the termination of this Agreement.

SECTION 6.8. May Become Certificateholder. The institution acting as Subordination Agent hereunder may become a Certificateholder and have all rights and benefits of a Certificateholder to the same extent as if it were not the institution acting as the Subordination Agent.

SECTION 6.9. Subordination Agent Required; Eligibility. There shall at all times be a Subordination Agent hereunder which shall be a corporation organized and doing business under the laws of the United States of America or of any State or the District of Columbia having a combined capital and surplus of at least \$100,000,000 (or the obligations of which, whether now in existence or hereafter incurred, are fully and unconditionally guaranteed by a corporation organized and doing business under the laws of the United States of America, any State thereof or of the District of Columbia and having a combined capital and surplus of at least \$100,000,000), if there is such an institution willing and able to perform the duties of the Subordination Agent hereunder upon reasonable or customary terms. Such corporation shall be a citizen of the United States and shall be authorized under the laws of the United States or any State thereof or of the District of Columbia to exercise corporate trust powers and shall be subject to supervision or examination by federal, state or District of Columbia authorities. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of any of the aforesaid supervising or examining authorities, then, for the purposes of this Section 6.9, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

In case at any time the Subordination Agent shall cease to be eligible in accordance with the provisions of this Section, the Subordination Agent shall resign immediately in the manner and with the effect specified in Section 8.1.

SECTION 6.10. Money to Be Held in Trust. All Equipment Notes, monies and other property deposited with or held by the Subordination Agent pursuant to this Agreement shall be held in trust for the benefit of the parties entitled to such Equipment Notes, monies and other property. All such Equipment Notes, monies or other property shall be held in the Trust Department of the institution acting as Subordination Agent hereunder.

ARTICLE VII

INDEMNIFICATION OF SUBORDINATION AGENT

SECTION 7.1. Scope of Indemnification. The Subordination Agent shall be indemnified hereunder to the extent and in the manner described in Section 8.1 of the Note Purchase Agreement. The indemnities contained in such Sections of such agreements shall survive the termination of this Agreement.

ARTICLE VIII

SUCCESSOR SUBORDINATION AGENT

SECTION 8.1. Replacement of Subordination Agent; Appointment of Successor. The Subordination Agent may resign at any time by so notifying the Trustees, the Liquidity Providers and the Policy Provider. The Controlling Party may remove the Subordination Agent for cause by so notifying the Subordination Agent and may appoint a successor Subordination Agent. The Controlling Party shall remove the Subordination Agent if:

- (1) the Subordination Agent fails to comply with Section 6.9 hereof;
- (2) the Subordination Agent is adjudged bankrupt or insolvent;
- (3) a receiver or other public officer takes charge of the Subordination Agent or its property; or
- (4) the Subordination Agent otherwise becomes incapable of acting.

If the Subordination Agent resigns or is removed or if a vacancy exists in the office of Subordination Agent for any reason (the Subordination Agent in such event being referred to herein as the retiring Subordination Agent), the Controlling Party shall promptly appoint a successor Subordination Agent.

A successor Subordination Agent shall deliver (x) a written acceptance of its appointment as Subordination Agent hereunder to the retiring Subordination Agent and (y) a written assumption of its obligations hereunder and under each Liquidity Facility and the Policy Provider Agreement to each party hereto, upon which the resignation or removal of the retiring Subordination Agent shall become effective, and the successor Subordination Agent shall have all the rights, powers and duties of the Subordination Agent under this Agreement. The successor Subordination Agent shall mail a notice of its succession to the Liquidity Providers, the Policy Provider and the Trustees. The retiring Subordination Agent shall promptly transfer its rights under each of the Liquidity Facilities and all of the property held by it as Subordination Agent to the successor Subordination Agent.

If a successor Subordination Agent does not take office within 60 days after the retiring Subordination Agent resigns or is removed, the retiring Subordination Agent or one or more of the Trustees may petition any court of competent jurisdiction for the appointment of a successor Subordination Agent.

If the Subordination Agent fails to comply with Section 6.9 hereof (to the extent applicable), one or more of the Trustees, one or more of the Liquidity Providers or the Policy Provider may petition any court of competent jurisdiction for the removal of the Subordination Agent and the appointment of a successor Subordination Agent.

Notwithstanding the foregoing, no resignation or removal of the Subordination Agent shall be effective unless and until a successor has been appointed. No appointment of a

successor Subordination Agent shall be effective unless and until the Rating Agencies shall have delivered a Ratings Confirmation.

ARTICLE IX

SUPPLEMENTS AND AMENDMENTS

SECTION 9.1. Amendments, Waivers, etc. (a) This Agreement may not be supplemented, amended or modified without the consent of each Trustee (acting, except in the case of any amendment pursuant to Section 3.5(e)(v)(y) hereof with respect to any Replacement Primary Liquidity Facility, any amendment pursuant to Section 3.5(c)(iv) hereof with respect to any Replacement Above-Cap Liquidity Facility or any amendment contemplated by the last sentence of this Section 9.1(a), with the consent of holders of Certificates of the related Class evidencing interests in the related Trust aggregating not less than a majority in interest in such Trust or as otherwise authorized pursuant to the relevant Trust Agreement), the Subordination Agent, each Liquidity Provider and the Policy Provider; provided, however, that this Agreement may be supplemented, amended or modified without the consent of any Trustee if such supplement, amendment or modification cures an ambiguity or inconsistency or does not materially adversely affect such Trustee or the holders of the related Class of Certificates; provided further, however, that, if such supplement, amendment or modification (A) would (x) directly or indirectly modify or supersede, or otherwise conflict with, Section 2.2(b), Section 3.5(e), Section 3.5(f)(other than the last sentence thereof), Section 3.5(l), the last sentence of this Section 9.1(a), the second sentence of Section 10.6 or this proviso (collectively, the "Continental Provisions") or (y) otherwise adversely affect the interests of a potential Replacement Primary Liquidity Provider or of Continental with respect to its ability to replace the Primary Liquidity Facility or with respect to its payment obligations under any Operative Agreement or (B) is made pursuant to the last sentence of this Section 9.1(a), then such supplement, amendment or modification shall not be effective without the additional written consent of Continental. Notwithstanding the foregoing, without the consent of each Certificateholder, each Liquidity Provider and the Policy Provider, no supplement, amendment or modification of this Agreement may (i) reduce the percentage of the interest in any Trust evidenced by the Certificates issued by such Trust necessary to consent to modify or amend any provision of this Agreement or to waive compliance therewith or (ii) except as provided in this Section 9.1(a), modify Section 2.4 or 3.2 hereof, relating to the distribution of monies received by the Subordination Agent hereunder from the Equipment Notes or pursuant to the Liquidity Facilities or the Policy. Nothing contained in this Section shall require the consent of a Trustee at any time following the payment of Final Distributions with respect to the related Class of Certificates. If the Replacement Primary Liquidity Facility for the Primary Liquidity Facility in accordance with Section 3.5(e) hereof is to be comprised of more than one instrument as contemplated by the definition of the term "Replacement Primary Liquidity Facility", then each of the parties hereto agrees to amend this Agreement to incorporate appropriate mechanics for multiple Primary Liquidity Facilities for an individual Trust. If the Replacement Above-Cap Liquidity Facility for the Above-Cap Liquidity Facility in accordance with Section 3.5(c)(iv) hereof is to be comprised of more than one instrument as contemplated by the definition of the term "Replacement Above-Cap Liquidity Facility", then each of the parties hereto agrees to amend this Agreement to incorporate appropriate mechanics for multiple Above-Cap Liquidity Facilities for an individual Trust.

(b) In the event that the Subordination Agent, as the registered holder of any Equipment Note, receives a request for the giving of any notice or for its consent to any amendment, supplement, modification, approval, consent or waiver under such Equipment Note, the Indenture, the Note Purchase Agreement or other related document, (i) if no Indenture Default shall have occurred and be continuing, the Subordination Agent shall request directions with respect to each Series of Equipment Notes from the Trustee of the Trust which holds such Series of Equipment Notes and shall vote or consent in accordance with the directions of such Trustee except that so long as (A) Final Distributions on the Class G Certificates have not been made or any Policy Provider Amounts (other than any Excess Reimbursement Obligations) remain outstanding and (B) no Policy Provider Default shall have occurred and be continuing, the Subordination Agent shall request directions from the Policy Provider rather than the Class G Trustee with respect to the Series G Equipment Note, and (ii) if any Indenture Default shall have occurred and be continuing with respect to such Indenture, the Subordination Agent will exercise its voting rights as directed by the Controlling Party, subject to Sections 4.1 and 4.4 hereof; provided that no such amendment, modification or waiver shall, without the consent of each Liquidity Provider, the Policy Provider and each affected Certificateholder, (x) reduce the amount of principal or interest payable by Continental, or change the time of payment or method of calculation of any amount, under any Equipment Note, (y) modify any of the provisions of Section 5.01, 5.02(c), 5.02(d), 6.02, 10.01, or of Article II or III of the Indenture, the definitions of "Break Amount", "Default", "Event of Default", "Interest Period", "Majority in Interest of Note Holders", "Note Holder", "Premium" or "Special Default" or the percentage of Note Holders required to take or approve any action under the Indenture or (z) reduce, modify or amend any indemnities in favor of the Mortgagee or the Note Holders (except that the Mortgagee may consent to any waiver or reduction of an indemnity payable to it) or permit the creation of any Lien on the Collateral or any part thereof (other than Permitted Liens (as defined in the Indenture)) or deprive any Note Holder of the benefit of the Lien of the Indenture on the Collateral, except in connection with the exercise of remedies. In addition, the Subordination Agent shall not consent to any amendment or modification of (i) the definitions of "Maximum Available Commitment" or "Liquidity Event of Default" under the Primary Liquidity Facility or (ii) the definition of "LIBOR" or Section 6(b) of the Reference Agency Agreement, in each case, without the prior written consent of the Above-Cap Liquidity Provider.

SECTION 9.2. Subordination Agent Protected. If, in the reasonable opinion of the institution acting as the Subordination Agent hereunder, any document required to be executed pursuant to the terms of Section 9.1 affects any right, duty, immunity or indemnity with respect to it under this Agreement or any Liquidity Facility or the Policy, the Subordination Agent may in its discretion decline to execute such document.

SECTION 9.3. Effect of Supplemental Agreements. Upon the execution of any amendment, consent or supplement hereto pursuant to the provisions hereof, this Agreement shall be and be deemed to be and shall be modified and amended in accordance therewith and the respective rights, limitations of rights, obligations, duties and immunities under this Agreement of the parties hereto and beneficiaries hereof shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such supplemental agreement shall be and be deemed to be and shall be part of the terms and conditions of this Agreement for any and all purposes. In executing or accepting any supplemental agreement permitted by this Article IX, the Subordination Agent

shall be entitled to receive, and shall be fully protected in relying upon, an opinion of counsel stating that the execution of such supplemental agreement is authorized or permitted by this Agreement.

SECTION 9.4. Notice to Rating Agencies. Promptly upon receipt of any amendment, consent, modification, supplement, waiver or direction by the Policy Provider contemplated by this Article IX and prior to taking any action required to be taken thereunder, the Subordination Agent shall send a copy thereof to each Rating Agency.

Upon the reasonable request of any Rating Agency in writing, the Subordination Agent and the Trustees shall provide to such Rating Agency such information available to the Subordination Agent and the Trustees as may be relevant to maintaining such Rating Agency's rating on the Certificates. During the continuance of a Triggering Event or an Indenture Default resulting from a Payment Default, the Subordination Agent and Trustees shall permit each Rating Agency, upon reasonable notice and on a periodic basis, to be provided copies of documents in the possession of the Subordination Agent and Trustees in their respective capacities as such reasonably related to the transactions contemplated by the Operative Agreements and, on a reasonable periodic basis, to meet or confer with officers and employees of the Subordination Agent and Trustees in their respective capacities as such to discuss such transactions, so long as such actions are reasonably related to maintaining such Rating Agency's rating on the Certificates.

ARTICLE X

MISCELLANEOUS

SECTION 10.1. Termination of Intercreditor Agreement. Following payment of Final Distributions with respect to each Class of Certificates and the payment in full of all Liquidity Obligations to the Primary Liquidity Provider and all Policy Provider Amounts to the Policy Provider and provided that there shall then be no other amounts due to the Certificateholders, the Trustees, the Primary Liquidity Provider, the Policy Provider and the Subordination Agent hereunder or under the Trust Agreements, and that the commitment of the (i) Primary Liquidity Provider under the Primary Liquidity Facility and (ii) Policy Provider under the Policy shall have expired or been terminated, this Agreement and the trusts created hereby shall terminate and this Agreement shall be of no further force or effect. Except as aforesaid or otherwise provided, this Agreement and the trusts created hereby shall continue in full force and effect in accordance with the terms hereof.

SECTION 10.2. Intercreditor Agreement for Benefit of Trustees, Liquidity Providers, the Policy Provider and Subordination Agent. Subject to the second sentence of Section 10.6 and the provisions of Sections 4.4 and 9.1, nothing in this Agreement, whether express or implied, shall be construed to give to any Person other than the Trustees, the Liquidity Providers, the Policy Provider and the Subordination Agent any legal or equitable right, remedy or claim under or in respect of this Agreement.

SECTION 10.3. Notices. Unless otherwise expressly specified or permitted by the terms hereof, all notices, requests, demands, authorizations, directions, consents, waivers or documents provided or permitted by this Agreement to be made, given, furnished or filed shall be in writing, mailed by certified mail, postage prepaid, or by confirmed telecopy and

- (i) if to the Subordination Agent, addressed to it at its office at:

Wilmington Trust Company
One Rodney Square
1100 N. Market Street
Wilmington, DE 19890-1605
Attention: Corporate Capital Market Services
Telecopy: (302) 636-4140

- (ii) if to any Trustee, addressed to it at its office at:

Wilmington Trust Company
One Rodney Square
1100 N. Market Street
Wilmington, DE 19890-1605
Attention: Corporate Capital Market Services
Telecopy: (302) 636-4140

- (iii) if to the Primary Liquidity Provider, addressed to it at its office at:

Morgan Stanley Bank
2500 Lake Park Blvd., Suite #3C
West Valley City, Utah 84120
Attention: Richard Felix, Chairman and Chief Credit Officer
Telephone: (212) 276-2972
Telecopy: (212) 507-3669

with a copy of any Notice of Borrowing to:

Morgan Stanley
1585 Broadway, 38th Floor
New York, NY 10036
Attention: Su Bai, Executive Director
Telephone: (212) 761-4729
Fax: (212) 507-5834

and

Morgan Stanley
1221 Avenue of the Americas, 27th Floor
New York, NY 10020

Attention: Andrew Neuberger, Managing Director
Telephone: (212) 762-6401
Fax: (212) 507-4137

- (iv) if to the Above-Cap Liquidity Provider, addressed to it at its office at:

Morgan Stanley Capital Services Inc.
Transaction Management Group
1585 Broadway
New York, NY 10036-8293
Attention: Chief Legal Officer
Telecopy: (212) 507-4622

- (v) if to the Policy Provider, addressed to it at its office at:

Financial Guaranty Insurance Company
125 Park Avenue
New York, NY 10017
Attention: SF Surveillance
Facsimile: (212) 312-3222
Telephone: (212) 312-3029

with a copy to:

Latham & Watkins LLP
885 Third Avenue
Suite 1000
New York, NY 10022
Attention: Robert A. Greenspon
Telephone: (212) 906-1375
Telecopy: (212) 751-4864

Whenever any notice in writing is required to be given by any Trustee, Liquidity Provider, Policy Provider or the Subordination Agent to any of the other of them, such notice shall be deemed given and such requirement satisfied when such notice is received. A copy of any notice given by the Trustee, the Liquidity Providers or the Subordination Agent shall be given to the Policy Provider; provided that the failure to do so shall not impair the validity of any such notice or the Policy Provider's obligations hereunder and under the Policy. Any party hereto may change the address to which notices to such party will be sent by giving notice of such change to the other parties to this Agreement.

SECTION 10.4. Severability. Any provision of this Agreement 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, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 10.5. No Oral Modifications or Continuing Waivers. No terms or provisions of this Agreement may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the party or other Person against whom enforcement of the change, waiver, discharge or termination is sought and any other party or other Person whose consent is required pursuant to this Agreement and any waiver of the terms hereof shall be effective only in the specific instance and for the specific purpose given.

SECTION 10.6. Successors and Assigns. All covenants and agreements contained herein shall be binding upon, and inure to the benefit of, each of the parties hereto and the successors and assigns of each, all as herein provided. In addition, the Continental Provisions shall inure to the benefit of Continental and its successors and assigns, and (without limitation of the foregoing) Continental is hereby constituted, and agreed to be, an express third party beneficiary of the Continental Provisions.

SECTION 10.7. Headings. The headings of the various Articles and Sections herein and in the table of contents hereto are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

SECTION 10.8. Counterpart Form. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same agreement.

SECTION 10.9. Subordination. (a) As between the Liquidity Providers and the Policy Provider, on the one hand, and the Trustees and the Certificateholders, on the other hand, and as among the Trustees and the related Certificateholders, this Agreement shall be a subordination agreement for purposes of Section 510 of the United States Bankruptcy Code, as amended from time to time.

(b) Notwithstanding the provisions of this Agreement, if prior to the payment in full to the (i) Primary Liquidity Provider of all Liquidity Obligations then due and payable and (ii) Policy Provider of all Policy Provider Amounts then due and payable, any party hereto shall have received any payment or distribution in respect of Equipment Notes or any other amount under the Indenture or other Operative Agreements which, had the subordination provisions of this Agreement been properly applied to such payment, distribution or other amount, would not have been distributed to such Person, then such payment, distribution or other amount shall be received and held in trust by such Person and paid over or delivered to the Subordination Agent for application as provided herein.

(c) If any Trustee, the Primary Liquidity Provider, the Policy Provider or the Subordination Agent receives any payment in respect of any obligations owing hereunder (or, in the case of the Primary Liquidity Provider or the Policy Provider, in respect of the Liquidity Obligations or the Policy Provider Amounts, as the case may be), which is subsequently invalidated, declared preferential, set aside and/or required to be repaid to a trustee, receiver or other party, then, to the extent of such payment, such obligations (or, in the case of the Primary Liquidity Provider or the Policy Provider, such Liquidity Obligations or the Policy Provider Amounts, as the case may be) intended to be satisfied shall be revived and continue in full force and effect as if such payment had not been received.

(d) The Trustees (on behalf of themselves and the holders of Certificates), the Primary Liquidity Provider, the Policy Provider and the Subordination Agent confirm that the payment priorities specified in Section 3.2 shall apply in all circumstances, notwithstanding the fact that the obligations owed to the Trustees and the holders of Certificates are secured by certain assets and the Liquidity Obligations and Policy Provider Amounts may not be so secured. The Trustees expressly agree (on behalf of themselves and the holders of Certificates) not to assert priority over the holders of Liquidity Obligations or Policy Provider Amounts (except as specifically set forth in Section 3.2) due to their status as secured creditors in any bankruptcy, insolvency or other legal proceeding.

(e) Each of the Trustees (on behalf of themselves and the holders of Certificates), the Primary Liquidity Provider, the Policy Provider and the Subordination Agent may take any of the following actions without impairing its rights under this Agreement:

(i) obtain a Lien on any property to secure any amounts owing to it hereunder, including, in the case of the Primary Liquidity Provider and the Policy Provider, the Liquidity Obligations or the Policy Provider Amounts, as the case may be,

(ii) obtain the primary or secondary obligation of any other obligor with respect to any amounts owing to it hereunder, including, in the case of the Primary Liquidity Provider and the Policy Provider, any of the Liquidity Obligations or the Policy Provider Obligations, as the case may be,

(iii) renew, extend, increase, alter or exchange any amounts owing to it hereunder, including, in the case of the Primary Liquidity Provider and the Policy Provider, any of the Liquidity Obligations or the Policy Provider Obligations, as the case may be, or release or compromise any obligation of any obligor with respect thereto,

(iv) refrain from exercising any right or remedy, or delay in exercising such right or remedy, which it may have, or

(v) take any other action which might discharge a subordinated party or a surety under applicable law;

provided, however, that the taking of any such actions by any of the Trustees, the Primary Liquidity Provider, the Policy Provider or the Subordination Agent shall not prejudice the rights or adversely affect the obligations of any other party under this Agreement.

SECTION 10.10. Governing Law. THIS AGREEMENT SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE.

SECTION 10.11. Submission to Jurisdiction; Waiver of Jury Trial.

(a) Each of the parties hereto hereby irrevocably and unconditionally:

(i) submits for itself and its property in any legal action or proceeding relating to this Agreement or any other Operative Agreement, or for recognition and enforcement of any judgment in respect hereof or thereof, to the nonexclusive general jurisdiction of the courts of the State of New York, the courts of the United States of America for the Southern District of New York, and the appellate courts from any thereof;

(ii) consents that any such action or proceeding may be brought in such courts, and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(iii) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to each party hereto at its address set forth in Section 10.3 hereof, or at such other address of which the other parties shall have been notified pursuant thereto; and

(iv) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction.

(b) EACH OF THE PARTIES HERETO HEREBY AGREES TO WAIVE ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY DEALINGS BETWEEN THEM RELATING TO THE SUBJECT MATTER OF THIS AGREEMENT AND THE RELATIONSHIP THAT IS BEING ESTABLISHED, including, without limitation, contract claims, tort claims, breach of duty claims and all other common law and statutory claims. Each of the parties warrants and represents that it has reviewed this waiver with its legal counsel, and that it knowingly and voluntarily waives its jury trial rights following consultation with such legal counsel. THIS WAIVER IS IRREVOCABLE, AND CANNOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective officers thereunto duly authorized, as of the day and year first above written, and acknowledge that this Agreement has been made and delivered in the City of New York, and this Agreement has become effective only upon such execution and delivery.

WILMINGTON TRUST COMPANY,
not in its individual capacity but solely as
Trustee for each of the Trusts

By: _____
Name:
Title:

MORGAN STANLEY BANK,
as Primary Liquidity Provider

By: _____
Name:
Title:

By: _____
Name:
Title:

MORGAN STANLEY CAPITAL SERVICES INC.,
as Above-Cap Liquidity Provider

By: _____
Name:
Title:

By: _____
Name:
Title:

FINANCIAL GUARANTY INSURANCE
COMPANY, as Policy Provider

By: _____
Name:
Title:

WILMINGTON TRUST COMPANY,
not in its individual capacity except as expressly
set forth herein but solely as Subordination
Agent and trustee

By: _____
Name:
Title:

Schedule 2.2(b)

Upon the funding of the Above-Cap Account or the Above-Cap Collateral Account or the maturity or redemption of any investment of funds in any such account (such funds, the "Funds"), the Above-Cap Liquidity Provider shall send a notice to the Subordination Agent containing a list of Eligible Investments (the "Specified Investments") which shall contain at least 10 investments in open market commercial paper of corporations incorporated under the laws of the United States of America or any state thereof.

Following receipt of such notice, the Subordination Agent shall use its best efforts to invest or reinvest the Funds in any Specified Investment. If no Specified Investment is then available, the Subordination Agent shall invest or reinvest the Funds in any other Eligible Investment selected by the Subordination Agent.

Following such investment or reinvestment of the Funds by the Subordination Agent in any Specified Investment or other Eligible Investment, the Subordination Agent shall deliver a written statement to the Above-Cap Liquidity Provider setting forth for each such Specified Investment or Eligible Investment the CUSIP number or other similar number for such obligation (or, if such obligation does not have such a number, (i) the name of the issuer, (ii) its maturity date, (iii) its yield or rate of return and (iv) its rating, if rated by any nationally recognized rating agency).

**CONFIDENTIAL: Subject to Restrictions on
Dissemination
Set Forth in Section 7 of this Agreement**

NOTE PURCHASE AGREEMENT

Dated as of June 9, 2006

Among

CONTINENTAL AIRLINES, INC.,
Owner,

and

WILMINGTON TRUST COMPANY,
Not in its individual capacity
except as expressly provided herein,
but solely as Mortgagee, Subordination Agent
under the Intercreditor Agreement and Pass Through Trustee
under each of the Pass Through Trust Agreements

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EXHIBITS

EXHIBIT A -	Opinion of Special Counsel to Owner
EXHIBIT B -	Opinion of Legal Department of Owner
EXHIBIT C -	Opinion of Special Counsel to Mortgagee and to the Pass Through Trustees
EXHIBIT D -	Opinion of Special Counsel in Oklahoma City, Oklahoma
EXHIBIT E -	Existing Security Release

NOTE PURCHASE AGREEMENT

NOTE PURCHASE AGREEMENT, dated as of June 9, 2006 (this "Agreement"), among (a) CONTINENTAL AIRLINES, INC., a Delaware corporation ("Owner"), (b) WILMINGTON TRUST COMPANY, a Delaware banking corporation, not in its individual capacity, except as expressly provided herein, but solely as Mortgagee (in its capacity as Mortgagee, "Mortgagee" and in its individual capacity, "WTC"), (c) WILMINGTON TRUST COMPANY, not in its individual capacity, except as expressly provided herein, but solely as Pass Through Trustee under each of the Pass Through Trust Agreements (each, a "Pass Through Trustee") and (d) WILMINGTON TRUST COMPANY, not in its individual capacity, except as expressly provided herein, but solely as Subordination Agent under the Intercreditor Agreement ("Subordination Agent").

RECITALS

A. Owner is the owner of the Pledged Spare Parts, and the Owner wishes to issue and sell the Equipment Notes, to be secured by, among other things, the Pledged Spare Parts. The Pledged Spare Parts are currently subject to a Lien securing the Existing Securities, which have been called for redemption on the Closing Date.

B. Pursuant to each of the Pass Through Trust Agreements, the Pass Through Trusts were created and the Pass Through Certificates were issued and sold.

C. Each Pass Through Trustee has agreed to use the proceeds from the issuance and sale of the Pass Through Certificates issued by the applicable Pass Through Trust to purchase from Owner, on behalf of the related Pass Through Trust, the Equipment Note bearing the same interest rate as the Pass Through Certificates issued by such Pass Through Trust.

D. Owner and Mortgagee, concurrently with the execution and delivery hereof, have entered into the Trust Indenture for the benefit of the Note Holders, pursuant to which, among other things, Owner agrees (1) to issue Equipment Notes, in the amounts and otherwise as provided in the Trust Indenture, and (2) to mortgage, pledge and assign to Mortgagee all of Owner's right, title and interest in the Collateral to secure the Secured Obligations, including, without limitation, Owner's obligations under the Equipment Notes.

E. Upon issuance of the Equipment Notes, Owner will use a portion of the proceeds from the issuance of the Equipment Notes to redeem the Existing Securities on the Closing Date.

F. The parties hereto wish to set forth in this Agreement the terms and conditions upon and subject to which the aforesaid transactions shall be effected.

NOW, THEREFORE, in consideration of the premises and the mutual agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 1. DEFINITIONS AND CONSTRUCTION

Capitalized terms used but not defined herein (including in the initial paragraph and Recitals above) shall have the respective meanings set forth or incorporated by reference, and shall be construed and interpreted in the manner described, in Annex A to the Trust Indenture.

SECTION 2. SECURED LOANS; CLOSING**2.1 Making of Loans and Issuance of Equipment Notes**

Subject to the terms and conditions of this Agreement, at the closing under the Underwriting Agreement, upon receipt by the Pass Through Trustees of the proceeds from the sale of the Pass Through Certificates:

- (a) the Class G Pass Through Trustee shall make a secured loan to the Owner in the amount of \$190,000,000, to be evidenced by a Series G Equipment Note;
- (b) the Class B Pass Through Trustee shall make a secured loan to the Owner in the amount of \$130,000,000, to be evidenced by a Series B Equipment Note;
- (c) the Owner shall issue, pursuant to and in accordance with the provisions of Article II of the Trust Indenture, to the Subordination Agent as the registered holder on behalf of each such Pass Through Trustee, one or more Equipment Notes, dated the Closing Date, of the Series set forth above with respect to such Pass Through Trustee, in an aggregate principal amount equal to the secured loan made by such Pass Through Trustee;
- (d) the Owner directs the Pass Through Trustees to transfer a portion of the proceeds from such secured loans in an amount equal to the Redemption Price to WTC, as Existing Trustee, to be applied by the Existing Trustee on the Closing Date to the redemption of the Existing Securities, and to transfer the balance of such proceeds to the Owner; and
- (e) the Owner will cause the Existing Security Release to be filed for recordation with the FAA.

2.2 Closing

(a) The Closing shall take place at the offices of Hughes Hubbard & Reed LLP, One Battery Park Plaza, New York, New York 10004, or at such other place as the parties shall agree.

(b) All payments pursuant to this Section 2 shall be made in immediately available funds to the accounts set forth in Schedule 1 hereto opposite the name of the recipients of such payments.

SECTION 3. [Intentionally omitted.]

SECTION 4. CONDITIONS PRECEDENT

4.1 Conditions Precedent to the Obligations of the Pass Through Trustees

The obligation of each Pass Through Trustee to make its secured loan described in Section 2.1 and to participate in the transactions contemplated by this Agreement on the Closing Date is subject to the fulfillment, prior to or on the Closing Date, of the following conditions precedent:

4.1.1 Equipment Notes

The Owner shall have tendered the Equipment Notes to be issued to the Pass Through Trustees to the Mortgagee for authentication and the Mortgagee shall have authenticated such Equipment Notes to be issued to such Pass Through Trustees and shall have tendered the Equipment Notes to the Subordination Agent on behalf of each such Pass Through Trustee, against receipt of the loan proceeds, in accordance with Section 2.1.

4.1.2 Delivery of Documents

The Subordination Agent on behalf of each such Pass Through Trustee shall have received executed counterparts or conformed copies of the following documents:

- (i) this Agreement;
- (ii) the Trust Indenture;
- (iii) the broker's report and insurance certificates required by Section 4.09 of the Trust Indenture;

(iv) (A) a copy of the Certificate of Incorporation and By-Laws of Owner and resolutions of the board of directors of Owner and/or the executive committee thereof, in each case certified as of the Closing Date, by the Secretary or an Assistant Secretary of Owner, duly authorizing the execution, delivery and performance by Owner of the Operative Agreements to which it is party required to be executed and delivered by Owner on or prior to the Closing Date in accordance with the provisions hereof and thereof; and (B) an incumbency certificate of Owner as to the person or persons authorized to execute and deliver the Operative Agreements on behalf of Owner;

(v) an Officer's Certificate of Owner, dated as of the Closing Date, stating that its representations and warranties set forth in this Agreement are true and correct as of the Closing Date (or, to the extent that any such representation and warranty expressly relates to an earlier date, true and correct as of such earlier date);

(vi) the Financing Statements;

(vii) the following opinions of counsel, in each case dated the Closing Date:

- (A) an opinion of Hughes Hubbard & Reed LLP, special counsel to Owner, substantially in the form of Exhibit A;
 - (B) an opinion of Owner's Legal Department, substantially in the form of Exhibit B;
 - (C) an opinion of Richards, Layton & Finger, special counsel to Mortgagee and to the Pass Through Trustees, substantially in the form of Exhibit C; and
 - (D) an opinion of Lytle Soule & Curlee, special counsel in Oklahoma City, Oklahoma, substantially in the form of Exhibit D; and
- (viii) the Collateral Maintenance Agreement.

4.1.3 Perfected Security Interest

On the Closing Date, after giving effect to the filing of the FAA Filed Documents and the Financing Statements, Mortgagee shall have received a duly perfected first priority security interest in all of Owner's right, title and interest in the Pledged Spare Parts, subject only to Permitted Liens.

4.1.4 Violation of Law

No change shall have occurred after the date of this Agreement in any applicable Law that makes it a violation of Law for (a) Owner, any Pass Through Trustee, Subordination Agent or Mortgagee to execute, deliver and perform the Operative Agreements to which any of them is a party or (b) any Pass Through Trustee to make the loan contemplated by Section 2.1, to acquire an Equipment Note or to realize the benefits of the security afforded by the Trust Indenture.

4.1.5 Representations, Warranties and Covenants

The representations and warranties of each other party to this Agreement made, in each case, in this Agreement and in any other Operative Agreement to which it is a party, shall be true and accurate in all material respects as of the Closing Date (unless any such representation and warranty shall have been made with reference to a specified date, in which case such representation and warranty shall be true and accurate as of such specified date) and each other party to this Agreement shall have performed and observed, in all material respects, all of its covenants, obligations and agreements in this Agreement and in any other Operative Agreement to which it is a party to be observed or performed by it as of the Closing Date.

4.1.6 No Event of Default

On the Closing Date, no event shall have occurred and be continuing, or would result from the mortgage of the Pledged Spare Parts, which constitutes a Default or an Event of Default.

4.1.7 Release of Existing Security Agreement

The Existing Security Agent shall have tendered to Owner the Existing Security Release, against receipt of the Redemption Price (as defined in Schedule 2), and the Existing Security Release shall be prepositioned with FAA counsel to be filed promptly on the Closing Date after receipt of the Redemption Price by the Existing Trustee.

4.1.8 Section 1110

Mortgagee shall be entitled to the benefits of Section 1110 (as currently in effect) with respect to the right to take possession of the Pledged Spare Parts and to enforce any of its other rights or remedies as provided in the Trust Indenture in the event of a case under Chapter 11 of the Bankruptcy Code in which Owner is a debtor.

4.1.9 Filing

On the Closing Date (a) the FAA Filed Documents (excluding the Existing Security Release) shall have been duly filed for recordation (or shall be in the process of being so duly filed for recordation) with the FAA in accordance with the Act and (b) each Financing Statement shall have been duly filed (or shall be in the process of being so duly filed) in the appropriate jurisdiction.

4.1.10 No Proceedings

No action or proceeding shall have been instituted, nor shall any action be threatened in writing, before any Government Entity, nor shall any order, judgment or decree have been issued or proposed to be issued by any Government Entity, to set aside, restrain, enjoin or prevent the completion and consummation of this Agreement or any other Operative Agreement or the transactions contemplated hereby or thereby.

4.1.11 Governmental Action

All appropriate action required to have been taken prior to the Closing Date by the FAA, or any governmental or political agency, subdivision or instrumentality of the United States, in connection with the transactions contemplated by this Agreement shall have been taken, and all orders, permits, waivers, authorizations, exemptions and approvals of such entities required to be in effect on the Closing Date in connection with the transactions contemplated by this Agreement shall have been issued.

4.1.12 Title

Owner shall have good and marketable title to the Pledged Spare Parts as of the Closing Date, free and clear of all Liens, except Permitted Liens.

4.2 Conditions Precedent to Obligations of Mortgagee

The obligation of Mortgagee to authenticate the Equipment Notes on the Closing Date is subject to the satisfaction or waiver by Mortgagee, on or prior to the Closing Date, of the conditions precedent set forth below in this Section 4.2.

4.2.1 Documents

Executed originals of the agreements, instruments, certificates or documents described in Section 4.1.2 shall have been received by Mortgagee, except as specifically provided therein, unless the failure to receive any such agreement, instrument, certificate or document is the result of any action or inaction by Mortgagee.

4.2.2 Other Conditions Precedent

Each of the conditions set forth in Sections 4.1.4, 4.1.5, 4.1.6, 4.1.8, 4.1.9, 4.1.10 and 4.1.11 shall have been satisfied unless the failure of any such condition to be satisfied is the result of any action or inaction by Mortgagee.

4.3 Conditions Precedent to Obligations of Owner

The obligation of Owner to participate in the transaction contemplated hereby on the Closing Date is subject to the satisfaction or waiver by Owner, on or prior to the Closing Date, of the conditions precedent set forth below in this Section 4.3.

4.3.1 Documents

Executed originals of the agreements, instruments, certificates or documents described in Section 4.1.2 shall have been received by Owner, except as specifically provided therein, and shall be satisfactory to Owner, unless the failure to receive any such agreement, instrument, certificate or document is the result of any action or inaction by Owner. In addition, the Owner shall have received the following:

(i) (A) an incumbency certificate of WTC as to the person or persons authorized to execute and deliver the Operative Agreements on behalf of WTC and (B) a copy of the Certificate of Incorporation and By-Laws and general authorizing resolution of the board of directors (or executive committee) or other satisfactory evidence of authorization of WTC, certified as of the Closing Date by the Secretary or Assistant or Attesting Secretary of WTC, which authorize the execution, delivery and performance by WTC of the Operative Agreements to which it is a party; and

(ii) an Officer's Certificate of WTC, dated as of the Closing Date, stating that its representations and warranties in its individual capacity or as Mortgagee, a Pass Through Trustee or Subordination Agent, as the case may be, set forth in this Agreement are true and correct as of the Closing Date (or, to the extent that any such representation and warranty expressly relates to an earlier date, true and correct as of such earlier date).

4.3.2 Other Conditions Precedent

Each of the conditions set forth in Sections 4.1.4, 4.1.5, 4.1.6, 4.1.7, 4.1.10 and 4.1.11 shall have been satisfied or waived by Owner, unless the failure of any such condition to be satisfied is the result of any action or inaction by Owner.

4.4 Post-Recordation Opinion

Promptly upon the recordation of the FAA Filed Documents pursuant to the Act, Owner will cause Lytle Soulé & Curlee, special counsel in Oklahoma City, Oklahoma, to deliver to Owner, each Pass Through Trustee, Mortgagee, each Liquidity Provider and the Policy Provider a favorable opinion or opinions addressed to each of them with respect to such registration and recordation.

SECTION 5. REPRESENTATIONS AND WARRANTIES

5.1 Owner's Representations and Warranties

Owner represents and warrants to each Pass Through Trustee, Subordination Agent and Mortgagee that:

5.1.1 Organization; Qualification

Owner is a corporation duly incorporated, validly existing and in good standing under the Laws of the State of Delaware and has the corporate power and authority to conduct the business in which it is currently engaged and to own or hold under lease its properties and to enter into and perform its obligations under the Operative Agreements to which it is party. Owner is duly qualified to do business as a foreign corporation in good standing in each jurisdiction in which the nature and extent of the business conducted by it, or the ownership of its properties, requires such qualification, except where the failure to be so qualified would not give rise to a Material Adverse Change to Owner.

5.1.2 Corporate Authorization

Owner has taken, or caused to be taken, all necessary corporate action (including, without limitation, the obtaining of any consent or approval of stockholders required by its Certificate of Incorporation or By-Laws) to authorize the execution and delivery of each of the Operative Agreements to which it is party, and the performance of its obligations thereunder.

5.1.3 No Violation

The execution and delivery by Owner of the Operative Agreements to which it is party, the performance by Owner of its obligations thereunder and the consummation by Owner on the Closing Date of the transactions contemplated thereby, do not and will not (a) violate any provision of the Certificate of Incorporation or By-Laws of Owner, (b) violate any Law applicable to or binding on Owner or (c) violate or constitute any default under (other than any violation or default that would not result in a Material Adverse Change to Owner), or result in the creation of any Lien (other than as permitted under the Trust Indenture) upon any Pledged

Spare Part under, any indenture, mortgage, chattel mortgage, deed of trust, conditional sales contract, lease, loan or other material agreement, instrument or document to which Owner is a party or by which Owner or any of its properties is bound.

5.1.4 Approvals

The execution and delivery by Owner of the Operative Agreements to which Owner is a party, the performance by Owner of its obligations thereunder and the consummation by Owner on the Closing Date of the transactions contemplated thereby do not and will not require the consent or approval of, or the giving of notice to, or the registration with, or the recording or filing of any documents with, or the taking of any other action in respect of, (a) any trustee or other holder of any debt of Owner and (b) any Government Entity, other than the filing of (x) the FAA Filed Documents and the Financing Statements (and continuation statements periodically) and (y) filings, recordings, notices or other ministerial actions pursuant to any routine recording, contractual or regulatory requirements applicable to it.

5.1.5 Valid and Binding Agreements

The Operative Agreements to which Owner is a party have been duly authorized, executed and delivered by Owner and, assuming the due authorization, execution and delivery thereof by the other party or parties thereto, constitute the legal, valid and binding obligations of Owner and are enforceable against Owner in accordance with the respective terms thereof, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, receivership, moratorium and other similar Laws affecting the rights of creditors generally and general principles of equity, whether considered in a proceeding at law or in equity.

5.1.6 Registration and Recordation

Except for (a) the filing for recordation (and recordation) of the FAA Filed Documents and (b) the filing of the Financing Statements (and continuation statements relating thereto at periodic intervals), no further action, including any filing or recording of any document (including any financing statement in respect thereof under Article 9 of the UCC) is necessary in order to establish and perfect Mortgagee's security interest in the Pledged Spare Parts as against Owner and any other Person, in each case, in any applicable jurisdictions in the United States.

5.1.7 Owner's Location

The Owner's location (as such term is used in Section 9-307 of the UCC) is Delaware. The full and correct legal name and mailing address of Owner are correctly set forth in Schedule 1 hereto in the column "Address for Notices".

5.1.8 Compliance With Laws

(a) Owner is a Citizen of the United States and a U.S. Air Carrier.

(b) Owner holds all licenses, permits and franchises from the appropriate Government Entities necessary to authorize Owner to lawfully engage in air transportation and to carry on scheduled commercial passenger service as currently conducted, except where the

failure to so hold any such license, permit or franchise would not give rise to a Material Adverse Change to Owner.

(c) Owner is not an “investment company” or a company controlled by an “investment company” within the meaning of the Investment Company Act of 1940, as amended.

5.1.9 Securities Laws

Neither Owner nor any person authorized to act on its behalf has directly or indirectly offered any beneficial interest or Security relating to the ownership of any Pledged Spare Part, or any of the Equipment Notes or any other interest in or Security under the Trust Indenture, for sale to, or solicited any offer to acquire any such interest or Security from, or has sold any such interest or Security to, any person in violation of the Securities Act.

5.1.10 Broker’s Fees

No Person acting on behalf of Owner is or will be entitled to any broker’s fee, commission or finder’s fee in connection with the Transactions, other than the fees and expenses payable by Owner in connection with the sale of the Pass Through Certificates.

5.1.11 Section 1110

Mortgagee, on behalf of the Note Holders and the Indenture Indemnitees, is entitled to the benefits of Section 1110 (as currently in effect) with respect to the right to take possession of the Pledged Spare Parts and to enforce any of its other rights or remedies as provided in the Trust Indenture and the Collateral Maintenance Agreement in the event of a case under Chapter 11 of the Bankruptcy Code in which Owner is a debtor.

5.1.12 Title

The Owner has good and marketable title to the Pledged Spare Parts as of the Closing Date, free and clear of all Liens, except Permitted Liens.

5.2 WTC’s Representations and Warranties

WTC represents and warrants (with respect to Section 5.2.10, solely in its capacity as Subordination Agent) to Owner that:

5.2.1 Organization, Etc.

WTC is a Delaware banking corporation duly organized, validly existing and in good standing under the Laws of the State of Delaware, holding a valid certificate to do business as a Delaware banking corporation with banking authority to execute and deliver, and perform its obligations under, the Pass Through Trustee Agreements and the Operative Agreements to which it is a party.

5.2.2 Corporate Authorization

WTC has taken, or caused to be taken, all necessary corporate action (including, without limitation, the obtaining of any consent or approval of stockholders required by Law or by its Certificate of Incorporation or By-Laws) to authorize the execution and delivery by WTC, in its individual capacity or as Mortgagee, a Pass Through Trustee or Subordination Agent, as the case may be, of the Pass Through Trustee Agreements and the Operative Agreements to which it is a party and the performance of its obligations thereunder.

5.2.3 No Violation

The execution and delivery by WTC, in its individual capacity or as Mortgagee, a Pass Through Trustee or Subordination Agent, as the case may be, of the Pass Through Trustee Agreements and the Operative Agreements to which it is a party, the performance by WTC, in its individual capacity or as Mortgagee, a Pass Through Trustee or Subordination Agent, as the case may be, of its obligations thereunder and the consummation on the Closing Date of the transactions contemplated thereby, do not and will not (a) violate any provision of the Certificate of Incorporation or By-Laws of WTC, (b) violate any Law applicable to or binding on WTC, in its individual capacity or (except in the case of any Law relating to any Plan) as Mortgagee, a Pass Through Trustee or Subordination Agent, or (c) violate or constitute any default under (other than any violation or default that would not result in a Material Adverse Change to WTC, in its individual capacity or Mortgagee, a Pass Through Trustee or Subordination Agent), or result in the creation of any Lien (other than the Lien of the Trust Indenture) upon any property of WTC, in its individual capacity or as Mortgagee, a Pass Through Trustee or Subordination Agent, or any of WTC's subsidiaries under, any indenture, mortgage, chattel mortgage, deed of trust, conditional sales contract, lease, loan or other agreement, instrument or document to which WTC, in its individual capacity or as Mortgagee, a Pass Through Trustee or Subordination Agent, is a party or by which WTC, in its individual capacity or as Mortgagee, a Pass Through Trustee or Subordination Agent, or any of their respective properties is bound.

5.2.4 Approvals

The execution and delivery by WTC, in its individual capacity or as Mortgagee, a Pass Through Trustee or Subordination Agent, as the case may be, of the Pass Through Trustee Agreements and the Operative Agreements to which it is a party, the performance by WTC, in its individual capacity or as Mortgagee, a Pass Through Trustee or Subordination Agent, as the case may be, of its obligations thereunder and the consummation on the Closing Date by WTC, in its individual capacity or as Mortgagee, a Pass Through Trustee or Subordination Agent, as the case may be, of the transactions contemplated thereby do not and will not require the consent, approval or authorization of, or the giving of notice to, or the registration with, or the recording or filing of any documents with, or the taking of any other action in respect of, (a) any trustee or other holder of any Debt of WTC or (b) any Government Entity, other than the filing of the FAA Filed Documents and the Financing Statements.

5.2.5 Valid and Binding Agreements

The Pass Through Trustee Agreements and the Operative Agreements to which it is a party have been duly authorized, executed and delivered by WTC and, assuming the due authorization, execution and delivery by the other party or parties thereto, constitute the legal, valid and binding obligations of WTC, in its individual capacity or as Mortgagee, a Pass Through Trustee or Subordination Agent, as the case may be, and are enforceable against WTC, in its individual capacity or as Mortgagee, a Pass Through Trustee or Subordination Agent, as the case may be, in accordance with the respective terms thereof, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, receivership, moratorium or other similar Laws affecting the rights of creditors generally and general principles of equity, whether considered in a proceeding at law or in equity.

5.2.6 Citizenship

WTC is a Citizen of the United States.

5.2.7 No Liens

On the Closing Date, there are no Liens attributable to WTC in respect of all or any part of the Collateral.

5.2.8 Litigation

There are no pending or, to the Actual Knowledge of WTC, threatened actions or proceedings against WTC, in its individual capacity or as Mortgagee, a Pass Through Trustee or Subordination Agent, before any court, administrative agency or tribunal which, if determined adversely to WTC, in its individual capacity or as Mortgagee, a Pass Through Trustee or Subordination Agent, as the case may be, would materially adversely affect the ability of WTC, in its individual capacity or as Mortgagee, a Pass Through Trustee or Subordination Agent, as the case may be, to perform its obligations under any of the Operative Agreements to which Mortgagee is a party, the Pass Through Trustee Agreements or the Subordination Agent Agreements.

5.2.9 Securities Laws

Neither WTC nor any person authorized to act on its behalf has directly or indirectly offered any beneficial interest or Security relating to the ownership of any Pledged Spare Part or any interest in the Collateral or any of the Equipment Notes or any other interest in or Security under the Collateral for sale to, or solicited any offer to acquire any such interest or Security from, or has sold any such interest or Security to, any Person other than the Subordination Agent and the Pass Through Trustees, except for the offering and sale of the Pass Through Certificates.

5.2.10 Investment

The Equipment Notes to be acquired by the Subordination Agent are being acquired by it for the account of the Pass Through Trustees, for investment and not with a view to any resale or

distribution thereof, except that, subject to the restrictions on transfer set forth in Section 9, the disposition by it of its Equipment Notes shall at all times be within its control.

5.2.11 Taxes

There are no Taxes payable by any Pass Through Trustee or WTC, as the case may be, imposed by the State of Delaware or any political subdivision or taxing authority thereof in connection with the execution, delivery and performance by such Pass Through Trustee or WTC, as the case may be, of this Agreement or any of the Pass Through Trustee Agreements (other than franchise or other taxes based on or measured by any fees or compensation received by any such Pass Through Trustee or WTC, as the case may be, for services rendered in connection with the transactions contemplated by any of the Pass Through Trust Agreements), and there are no Taxes payable by any Pass Through Trustee or WTC, as the case may be, imposed by the State of Delaware or any political subdivision thereof in connection with the acquisition, possession or ownership by any such Pass Through Trustee of any of the Equipment Notes (other than franchise or other taxes based on or measured by any fees or compensation received by any such Pass Through Trustee or WTC, as the case may be, for services rendered in connection with the transactions contemplated by any of the Pass Through Trust Agreements), and, assuming that the trusts created by the Pass Through Trust Agreements will not be taxable as corporations, but, rather, each will be characterized as a grantor trust under subpart E, Part I of Subchapter J of the Code or as a partnership under Subchapter K of the Code, such trusts will not be subject to any Taxes imposed by the State of Delaware or any political subdivision thereof.

5.2.12 Broker's Fees

No Person acting on behalf of WTC, in its individual capacity or as Mortgagee, a Pass Through Trustee or Subordination Agent, as the case may be, is or will be entitled to any broker's fee, commission or finder's fee in connection with the Transactions.

SECTION 6. COVENANTS, UNDERTAKINGS AND AGREEMENTS

6.1 Covenants of Owner

Owner covenants and agrees, at its own cost and expense, with each Note Holder and Mortgagee as follows:

6.1.1 Corporate Existence; U.S. Air Carrier

Owner shall at all times maintain its corporate existence, except as permitted by Section 4.07 of the Trust Indenture, and shall at all times remain a U.S. Air Carrier.

6.1.2 Notice of Change of Location

Owner will give Mortgagee timely written notice (but in any event within 30 days prior to the expiration of the period of time specified under applicable Law to prevent lapse of perfection) of any change in its location (as such term is used in Section 9-307 of the UCC) or legal name and will promptly take any action required by Section 4.06 of the Trust Indenture as a result of such relocation.

6.1.3 Securities Laws

Neither Owner nor any person authorized to act on its behalf will directly or indirectly offer any beneficial interest or Security relating to the ownership of any Pledged Spare Part or any interest in any of the Equipment Notes or any other interest in or Security under the Trust Indenture, for sale to, or solicit any offer to acquire any such interest or Security from, or sell any such interest or Security to, any person in violation of the Securities Act or applicable state or foreign securities Laws.

6.2 Covenants of WTC

WTC in its individual capacity or as Mortgagee, a Pass Through Trustee or Subordination Agent, as the case may be, covenants and agrees with Owner as follows:

6.2.1 Liens

WTC (a) will not directly or indirectly create, incur, assume or suffer to exist any Lien attributable to it on or with respect to all or any part of the Collateral or any Pledged Spare Part, (b) will, at its own cost and expense, promptly take such action as may be necessary to discharge any Lien attributable to WTC on all or any part of the Collateral or any Pledged Spare Part and (c) will personally hold harmless and indemnify Owner, each Note Holder, each of their respective Affiliates, successors and permitted assigns, and the Collateral from and against (i) any and all Expenses, (ii) any reduction in the amount payable out of the Collateral, and (iii) any interference with the possession, operation or other use of all or any part of any Pledged Spare Part, imposed on, incurred by or asserted against any of the foregoing as a consequence of any such Lien.

6.2.2 Securities Act

WTC in its individual capacity or as Mortgagee, a Pass Through Trustee or Subordination Agent, will not offer any beneficial interest or Security relating to the ownership of any Pledged Spare Part or any interest in the Collateral, or any of the Equipment Notes or any other interest in or Security under the Trust Indenture for sale to, or solicit any offer to acquire any such interest or Security from, or sell any such interest or Security to, any Person in violation of the Securities Act or applicable state or foreign securities Laws, provided that the foregoing shall not be deemed to impose on WTC any responsibility with respect to any such offer, sale or solicitation by any other party hereto.

6.2.3 Performance of Agreements

WTC, in its individual capacity and as Mortgagee, a Pass Through Trustee or Subordination Agent, as the case may be, shall perform its obligations under the Pass Through Trustee Agreements and the Operative Agreements in accordance with the terms thereof.

6.2.4 Withholding Taxes

WTC shall indemnify (on an after-tax basis) and hold harmless Owner against any United States withholding taxes (and related interest, penalties and additions to tax) as a result of the

failure by WTC to withhold on payments to any Note Holder if such Note Holder failed to provide to Mortgagee necessary certificates or forms to substantiate the right to exemption from such withholding tax.

6.3 Covenants of Note Holders

Each Note Holder (including Subordination Agent) as to itself only covenants and agrees with Owner and Mortgagee as follows:

6.3.1 Withholding Taxes

Such Note Holder (if it is a Non-U.S. Person) agrees to indemnify (on an after-tax basis) and hold harmless Owner and Mortgagee against any United States withholding taxes (and related interest, penalties and additions to tax) as a result of the inaccuracy or invalidity of any certificate or form provided by such Note Holder to Mortgagee in connection with such withholding taxes. Any amount payable hereunder shall be paid within 30 days after receipt by a Note Holder of a written demand therefor.

6.3.2 Transfer; Compliance

(a) Such Note Holder will (i) not transfer any Equipment Note or interest therein in violation of the Securities Act or applicable state or foreign securities Law; provided, that the foregoing provisions of this section shall not be deemed to impose on such Note Holder any responsibility with respect to any such offer, sale or solicitation by any other party hereto, and (ii) perform and comply with the obligations specified to be imposed on it (as a Note Holder) under each of the Trust Indenture and the form of Equipment Note set forth in the Trust Indenture.

(b) Each Note Holder will not sell, assign, convey, exchange or otherwise transfer any Equipment Note or any interest in, or represented by, any Equipment Note (it being understood that this provision is not applicable to the Pass Through Certificates) unless the proposed transferee thereof first provides Owner with both of the following:

(i) a written representation and covenant that either (a) no portion of the funds it uses to purchase, acquire and hold such Equipment Note or interest directly or indirectly constitutes, or may be deemed under the Code or ERISA or any rulings, regulations or court decisions thereunder to constitute, the assets of any Plan or (b) the transfer, and subsequent holding, of such Equipment Note or interest shall not involve or give rise to a transaction that constitutes a prohibited transaction within the meaning of Section 406 of ERISA or Section 4975(c)(1) of the Code involving Owner, a Pass Through Trustee, the Subordination Agent or the proposed transferee (other than a transaction that is exempted from the prohibitions of such sections by applicable provisions of ERISA or the Code or administrative exemptions or regulations issued thereunder); and

(ii) a written covenant that it will not transfer any Equipment Note or any interest in, or represented by, any Equipment Note unless the subsequent transferee also

makes the representation described in clause (i) above and agrees to comply with this clause (ii).

6.4 Agreements

6.4.1 Quiet Enjoyment

Each Pass Through Trustee, Subordination Agent, each Note Holder and Mortgagee agrees as to itself with Owner that, so long as no Event of Default shall have occurred and be continuing, such Person shall not (and shall not permit any Affiliate or other Person claiming by, through or under it to) interfere with Owner's rights in accordance with the Trust Indenture to the quiet enjoyment, possession and use of the Collateral.

6.4.2 Consents

Each Pass Through Trustee, Subordination Agent and Mortgagee covenants and agrees, for the benefit of Owner, that it shall not unreasonably withhold its consent to any consent or approval requested of it under the terms of any of the Operative Agreements which by its terms is not to be unreasonably withheld.

6.4.3 Insurance

Each Pass Through Trustee, Subordination Agent, Mortgagee and each Note Holder agrees not to obtain or maintain insurance for its own account as permitted by Section 4.09 of the Trust Indenture if such insurance would limit or otherwise adversely affect the coverage of any insurance required to be obtained or maintained by Owner pursuant to Section 4.09 of the Trust Indenture.

6.4.4 Extent of Interest of Note Holders

A Note Holder shall not, as such, have any further interest in, or other right with respect to, the Collateral when and if the principal and Premium, if any, of and interest on the Equipment Note held by such Holder, and all other sums, then due and payable to such Holder hereunder and under any other Operative Agreement, shall have been paid in full.

SECTION 7. CONFIDENTIALITY

Owner, Note Holders and Mortgagee shall keep the Note Purchase Agreement and Annex B to the Trust Indenture confidential and shall not disclose, or cause to be disclosed, the same to any Person, except (A) to prospective and permitted transferees of Owner's, a Note Holder's, a Liquidity Provider's, Policy Provider's, Mortgagee's or other Indenture Indemnitee's interest or their respective counsel or special counsel, independent insurance brokers, auditors, or other agents who agree to hold such information confidential, (B) to Owner's, a Note Holder's, a Liquidity Provider's, the Liquidity Guarantor's, Policy Provider's, a Pass Through Trustee's, Mortgagee's or other Indenture Indemnitee's counsel or special counsel, independent insurance brokers, auditors, or other agents, Affiliates or investors who agree to hold such information confidential, (C) as may be required by any statute, court or administrative order or decree, legal process or governmental ruling or regulation, including those of any applicable insurance

regulatory bodies (including, without limitation, the National Association of Insurance Commissioners), federal or state banking examiners, Internal Revenue Service auditors or any stock exchange, (D) with respect to a Note Holder or any Pass Through Trustee, to a nationally recognized rating agency for the purpose of obtaining or confirming a rating on the Equipment Notes or the Pass Through Certificates or to support an NAIC rating for the Equipment Notes or (E) such other Persons as are reasonably deemed necessary by the disclosing party in order to protect the interests of such party or for the purposes of enforcing such documents by such party; provided, that any and all disclosures permitted by clauses (C), (D), or (E) above shall be made only to the extent necessary to meet the specific requirements or needs of the Persons making such disclosures.

SECTION 8. INDEMNIFICATION AND EXPENSES

8.1 General Indemnity

8.1.1 Indemnity

Whether or not any of the transactions contemplated hereby are consummated, Owner shall indemnify, protect, defend and hold harmless each Indemnitee from, against and in respect of, and shall pay on a net after-tax basis, any and all Expenses of any kind or nature whatsoever that may be imposed on, incurred by or asserted against any Indemnitee, relating to, resulting from, or arising out of or in connection with, any one or more of the following:

(a) The Operative Agreements, the Pass Through Agreements, or the enforcement of any of the terms of any of the Operative Agreements or the Pass Through Agreements;

(b) Any Collateral, including, without limitation, with respect thereto, (i) the manufacture, design, purchase, acceptance, nonacceptance or rejection, ownership, delivery, nondelivery, lease, sublease, assignment, possession, use or non-use, operation, maintenance, testing, repair, overhaul, condition, alteration, modification, addition, improvement, storage, airworthiness, replacement, repair, sale, substitution, return, abandonment, redelivery or other disposition of any Collateral by the Owner, any Permitted Lessee or any other Person whatsoever, (ii) any claim or penalty arising out of or relating to violations of applicable Laws by Owner (or any Permitted Lessee), (iii) tort liability, whether or not arising out of the negligence of any Indemnitee (whether active, passive or imputed), (iv) death, personal injury, property damage or any other loss or harm to passengers, shippers or others, (v) environmental control, noise or pollution and (vi) any Liens in respect of any Collateral;

(c) The offer, sale, or delivery of any Equipment Notes, Pass Through Certificates or any interest therein or represented thereby; and

(d) Any breach of or failure to perform or observe, or any other noncompliance with, any covenant or agreement or other obligation to be performed by Owner under any Operative Agreement to which it is party or any Pass Through Agreement or the falsity of any representation or warranty of Owner in any Operative Agreement to which it is party or any Pass Through Agreement.

8.1.2 Exceptions

Notwithstanding anything contained in Section 8.1.1, Owner shall not be required to indemnify, protect, defend and hold harmless any Indemnitee pursuant to Section 8.1.1 in respect of any Expense of such Indemnitee:

(a) For any Taxes or a loss of Tax benefit, whether or not Owner is required to indemnify therefor pursuant to Section 8.3;

(b) Except to the extent attributable to acts or events occurring prior thereto, acts or events (other than acts or events related to the performance by Owner of its obligations pursuant to the terms of the Operative Agreements) that occur after the Trust Indenture is required to be terminated in accordance with Section 11.01 of the Trust Indenture; provided, that nothing in this clause (b) shall be deemed to exclude or limit any claim that any Indemnitee may have under applicable Law by reason of an Event of Default or for damages from Owner for breach of Owner's covenants contained in the Operative Agreements or to release Owner from any of its obligations under the Operative Agreements that expressly provide for performance after termination of the Trust Indenture;

(c) To the extent attributable to any Transfer (voluntary or involuntary) by or on behalf of such Indemnitee of any Equipment Note or interest therein, except for out-of-pocket costs and expenses incurred as a result of any such Transfer pursuant to the exercise of remedies under any Operative Agreement;

(d) [Intentionally Omitted.]

(e) To the extent attributable to the gross negligence or willful misconduct of such Indemnitee or any related Indemnitee (as defined below) (other than gross negligence or willful misconduct imputed to such person by reason of its interest in the Collateral or any Operative Agreement);

(f) [Intentionally Omitted.]

(g) To the extent attributable to the incorrectness or breach of any representation or warranty of such Indemnitee or any related Indemnitee contained in or made pursuant to any Operative Agreement or any Pass Through Agreement;

(h) To the extent attributable to the failure by such Indemnitee or any related Indemnitee to perform or observe any agreement, covenant or condition on its part to be performed or observed in any Operative Agreement or any Pass Through Agreement;

(i) To the extent attributable to the offer or sale by such Indemnitee or any related Indemnitee of any interest in the Collateral, the Equipment Notes, the Pass Through Certificates, or any similar interest, in violation of the Securities Act or other applicable federal, state or foreign securities Laws (other than any violation thereof caused by acts or omissions of Owner);

(j) (i) With respect to any Indemnitee (other than Mortgagee), to the extent attributable to the failure of the Mortgagee to distribute funds received and distributable by it in

accordance with the Trust Indenture, (ii) with respect to any Indemnitee (other than the Subordination Agent), to the extent attributable to the failure of the Subordination Agent to distribute funds received and distributable by it in accordance with the Intercreditor Agreement, (iii) with respect to any Indemnitee (other than the Pass Through Trustees), to the extent attributable to the failure of a Pass Through Trustee to distribute funds received and distributable by it in accordance with the Pass Through Trust Agreements, (iv) with respect to Mortgagee, to the extent attributable to the negligence or willful misconduct of Mortgagee in the distribution of funds received and distributable by it in accordance with the Trust Indenture, (v) with respect to the Subordination Agent, to the extent attributable to the negligence or willful misconduct of the Subordination Agent in the distribution of funds received and distributable by it in accordance with the Intercreditor Agreement, and (vi) with respect to the Pass Through Trustees, to the extent attributable to the negligence or willful misconduct of a Pass Through Trustee in the distribution of funds received and distributable by it in accordance with the Pass Through Trust Agreements;

(k) Other than during the continuation of an Event of Default, to the extent attributable to the authorization or giving or withholding of any future amendments, supplements, waivers or consents with respect to any Operative Agreement or Pass Through Agreement other than such as have been requested by Owner or as are required by or made pursuant to the terms of the Operative Agreements or Pass Through Agreements (unless such requirement results from the actions of an Indemnitee not required by or made pursuant to the Operative Agreements or the Pass Through Agreements);

(l) To the extent attributable to any amount which any Indemnitee expressly agrees to pay or such Indemnitee expressly agrees shall not be paid by or be reimbursed by Owner;

(m) To the extent that it is an ordinary and usual operating or overhead expense;

(n) [Intentionally Omitted.]

(o) For any Lien attributable to such Indemnitee or any related Indemnitee;

(p) If another provision of an Operative Agreement or a Pass Through Agreement specifies the extent of Owner's responsibility or obligation with respect to such Expense, to the extent arising from other than failure of Owner to comply with such specified responsibility or obligation; or

(q) To the extent incurred by or asserted against an Indemnitee as a result of any "prohibited transaction," within the meaning of Section 406 of ERISA or Section 4975(c)(1) of the Code.

For purposes of this Section 8.1, a Person shall be considered a "related" Indemnitee with respect to an Indemnitee if such Person is an Affiliate or employer of such Indemnitee, a director, officer, employee, agent, or servant of such Indemnitee or any such Affiliate or a successor or permitted assignee of any of the foregoing.

8.1.3 Separate Agreement

This Agreement constitutes a separate agreement with respect to each Indemnitee and is enforceable directly by each such Indemnitee.

8.1.4 Notice

If a claim for any Expense that an Indemnitee shall be indemnified against under this Section 8.1 is made, such Indemnitee shall give prompt written notice thereof to Owner. Notwithstanding the foregoing, the failure of any Indemnitee to notify Owner as provided in this Section 8.1.4, or in Section 8.1.5, shall not release Owner from any of its obligations to indemnify such Indemnitee hereunder, except to the extent that such failure results in an additional Expense to Owner (in which event Owner shall not be responsible for such additional expense) or materially impairs Owner's ability to contest such claim.

8.1.5 Notice of Proceedings; Defense of Claims; Limitations

(a) In case any action, suit or proceeding shall be brought against any Indemnitee for which Owner is responsible under this Section 8.1, such Indemnitee shall notify Owner of the commencement thereof and Owner may, at its sole cost and expense, participate in and to the extent that it shall wish (subject to the provisions of the following paragraph), assume and control the defense thereof and, subject to Section 8.1.5(c), settle or compromise the same.

(b) Owner or its insurer(s) shall have the right, at its or their expense, to investigate or, if Owner or its insurer(s) shall agree not to dispute liability to the Indemnitee giving notice of such action, suit or proceeding under this Section 8.1.5 for indemnification hereunder or under any insurance policies pursuant to which coverage is sought, control (using counsel reasonably satisfactory to the respective Indemnitee) the defense of, any action, suit or proceeding, relating to any Expense for which indemnification is sought pursuant to this Section 8.1, and each Indemnitee shall cooperate with Owner or its insurer(s) with respect thereto; provided, that Owner shall not be entitled to control the defense of any such action, suit, proceeding or compromise any such Expense (x) during the continuance of any Event of Default, (y) if such proceedings will involve a material risk of the sale, forfeiture or loss of, or the creation of any Lien (other than a Permitted Lien) on any of the Collateral, unless Owner shall have posted a bond or other security reasonably satisfactory to the relevant Indemnitee with respect to such risk or (z) if such proceedings could entail any risk of criminal liability being imposed on such Indemnitee. In connection with any such action, suit or proceeding being controlled by Owner, such Indemnitee shall have the right to participate therein, at its sole cost and expense, with its own counsel reasonably satisfactory to Owner.

(c) In no event shall any Indemnitee enter into a settlement or other compromise with respect to any Expense without the prior written consent of Owner, which consent shall not be unreasonably withheld or delayed, unless such Indemnitee waives its right to be indemnified with respect to such Expense under this Section 8.1.

(d) In the case of any Expense indemnified by the Owner hereunder which is covered by a policy of insurance maintained by Owner pursuant to Section 4.09 of the Indenture, at Owner's expense, each Indemnitee agrees to cooperate with the insurers in the exercise of their

rights to investigate, defend or compromise such Expense as may be required to retain the benefits of such insurance with respect to such Expense.

(e) If an Indemnitee is not a party to this Agreement, Owner may require such Indemnitee to agree in writing to the terms of this Section 8 and Section 12.8 prior to making any payment to such Indemnitee under this Section 8.

(f) Nothing contained in this Section 8.1.5 shall be deemed to require an Indemnitee to contest any Expense or to assume responsibility for or control of any judicial proceeding with respect thereto.

8.1.6 Information

Owner will provide the relevant Indemnitee with such information not within the control of such Indemnitee, as is in Owner's control or is reasonably available to Owner, which such Indemnitee may reasonably request and will otherwise cooperate with such Indemnitee so as to enable such Indemnitee to fulfill its obligations under Section 8.1.5. The Indemnitee shall supply Owner with such information not within the control of Owner, as is in such Indemnitee's control or is reasonably available to such Indemnitee, which Owner may reasonably request to control or participate in any proceeding to the extent permitted by Section 8.1.5.

8.1.7 Effect of Other Indemnities; Subrogation; Further Assurances

Upon the payment in full by Owner of any indemnity provided for under this Agreement, Owner, without any further action and to the full extent permitted by Law, will be subrogated to all rights and remedies of the person indemnified (other than with respect to any of such Indemnitee's insurance policies or in connection with any indemnity claim such Indemnitee may have under Section 6.03 or 8.01 of the Trust Indenture) in respect of the matter as to which such indemnity was paid. Each Indemnitee will give such further assurances or agreements and cooperate with Owner to permit Owner to pursue such claims, if any, to the extent reasonably requested by Owner and at Owner's expense.

8.1.8 Refunds

If an Indemnitee receives any refund, in whole or in part, with respect to any Expense paid by Owner hereunder, it will promptly pay the amount refunded (but not an amount in excess of the amount Owner or any of its insurers has paid in respect of such Expense) over to Owner unless an Event of Default shall have occurred and be continuing, in which case such amounts shall be paid over to Mortgagee to hold as security for Owner's obligations under the Operative Agreements or, if requested by Owner, applied to satisfy such obligations.

8.2 Expenses

8.2.1 Invoices and Payment

The Mortgagee shall promptly submit to Owner for its prompt approval (which shall not be unreasonably withheld) copies of invoices in reasonable detail of the Transaction Expenses

for which it is responsible for providing information as they are received (but in no event later than the 90th day after the Closing Date). If so submitted and approved, the Owner agrees promptly, but in any event no later than the 105th day after the Closing Date, to pay Transaction Expenses.

8.2.2 Payment of Other Expenses

Owner shall pay (i) the ongoing fees and expenses of Mortgagee, and (ii) all reasonable out-of-pocket costs and expenses (including the reasonable fees and disbursements of counsel) incurred by Mortgagee or any Note Holder attributable to any waiver, amendment or modification of any Operative Agreement to the extent requested by Owner.

8.3 General Tax Indemnity

8.3.1 General

Except as provided in Section 8.3.2, Owner agrees that each payment paid by Owner under the Equipment Notes, and any other payment or indemnity paid by Owner to a Tax Indemnitee under any Operative Agreement, shall be free of all withholdings or deductions with respect to Taxes of any nature (other than U.S. federal, state or local withholding taxes on, based on or measured by gross or net income), and in the event that Owner shall be required by applicable law to make any such withholding or deduction for any such payment (x) Owner shall make all such withholdings or deductions, (y) the amount payable by Owner shall be increased so that after making all required withholdings or deductions such Tax Indemnitee receives the same amount that it would have received had no such withholdings or deductions been made, and (z) Owner shall pay the full amount withheld or deducted to the relevant Taxing Authority in accordance with applicable law. Except as provided in Section 8.3.2 and whether or not any of the transactions contemplated hereby are consummated, Owner shall pay, indemnify, protect, defend and hold each Tax Indemnitee harmless from all Taxes imposed by any Taxing Authority that may from time to time be imposed on or asserted against any Tax Indemnitee or any Pledged Spare Part, or any interest therein (whether or not indemnified against by any other Person), upon or with respect to the Operative Agreements or the transactions or payments contemplated thereby, including but not limited to any Tax imposed upon or with respect to (x) any Pledged Spare Part, any Operative Agreement (including without limitation any Equipment Notes) or any data or any other thing delivered or to be delivered under an Operative Agreement, (y) the purchase, manufacture, acceptance, rejection, sale, transfer of title, return, ownership, mortgaging, delivery, transport, charter, rental, lease, re-lease, sublease, assignment, possession, repossession, presence, use, condition, storage, preparation, maintenance, modification, alteration, improvement, operation, registration, transfer or change of registration, reregistration, repair, replacement, overhaul, location, control, the imposition of any Lien, financing, refinancing requested by the Owner, abandonment or other disposition of any Pledged Spare Part, any data or any other thing delivered or to be delivered under an Operative Agreement or (z) interest, fees or any other income, proceeds, receipts or earnings, whether actual or deemed, arising upon, in connection with, or in respect of, any of the Operative Agreements (including the property or income or other proceeds with respect to property held as part of the Collateral) or the transactions contemplated thereby.

8.3.2 Certain Exceptions

The provisions of Section 8.3.1 shall not apply to, and Owner shall have no liability hereunder for, Taxes:

- (a) imposed on a Tax Indemnitee by the federal government of the United States or any Taxing Authority or governmental subdivision of the United States or therein (including any state or local Taxing Authority) (i) on, based on, or measured by, gross or net income or gross or net receipts, including capital gains taxes, excess profits taxes, minimum taxes from tax preferences, alternative minimum taxes, branch profits taxes, accumulated earnings taxes, personal holding company taxes, succession taxes and estate taxes, and any withholding taxes on, based on or measured by gross or net income or receipts or (ii) on, or with respect to, or measured by, capital or net worth or in the nature of a franchise tax or a tax for the privilege of doing business (other than, in the case of clause (i) or (ii), sales, use, license or property Taxes);
- (b) imposed on a Tax Indemnitee by any Taxing Authority or governmental subdivision thereof or therein outside of the United States (including any Taxing Authority in or of a territory, possession or commonwealth of the United States) (i) on, based on, or measured by, gross or net income or gross or net receipts, including capital gains taxes, excess profits taxes, minimum taxes from tax preferences, alternative minimum taxes, branch profits taxes, accumulated earnings taxes, personal holding company taxes, succession taxes and estate taxes, and any withholding taxes on, based on or measured by gross or net income or receipts or (ii) on, or with respect to, or measured by, capital or net worth or in the nature of a franchise tax or a tax for the privilege of doing business (other than, in the case of clause (i) or (ii), (A) sales, use, license or property Taxes, or (B) any Taxes imposed by any Taxing Authority (other than a Taxing Authority within whose jurisdiction such Tax Indemnitee is incorporated or organized or maintains its principal place of business) if such Tax Indemnitee would not have been subject to Taxes of such type by such jurisdiction but for (I) the location, use or operation of any Pledged Spare Part thereof by an Owner Person within the jurisdiction of the Taxing Authority imposing such Tax, or (II) the activities of any Owner Person in such jurisdiction, including, but not limited to, use of any aircraft by Owner in such jurisdiction, (III) the status of any Owner Person as a foreign entity or as an entity owned in whole or in part by foreign persons, (IV) Owner having made (or having been deemed to have made) payments to such Tax Indemnitee from the relevant jurisdiction or (V) in the case of the Pass Through Trustees, the Note Holders or any related Tax Indemnitee, the Owner being incorporated or organized or maintaining a place of business or conducting activities in such jurisdiction);
- (c) on, or with respect to, or measured by, any trustee fees, commissions or compensation received by the Pass Through Trustee, Subordination Agent or Mortgagee;
- (d) that are being contested as provided in Section 8.3.4 hereof;
- (e) imposed on any Tax Indemnitee to the extent that such Taxes result from the gross negligence or willful misconduct of such Tax Indemnitee or any Affiliate thereof;
- (f) imposed on or with respect to a Tax Indemnitee (including the transferee in those cases in which the Tax on transfer is imposed on, or is collected from, the transferee) as a result

of a transfer or other disposition (including a deemed transfer or disposition) by such Tax Indemnitee or a related Tax Indemnitee of any interest in any Pledged Spare Part, any interest arising under the Operative Agreements or any Equipment Note or as a result of a transfer or disposition (including a deemed transfer or disposition) of any interest in a Tax Indemnitee (other than (A) a substitution or replacement of any Pledged Spare Part by an Owner Person that is treated for Tax purposes as a transfer or disposition, or (B) a transfer pursuant to an exercise of remedies upon an Event of Default that shall have occurred and have been continuing);

(g) Taxes in excess of those that would have been imposed had there not been a transfer or other disposition by or to such Tax Indemnitee or a related Tax Indemnitee described in paragraph (f) above;

(h) consisting of any interest, penalties or additions to tax imposed on a Tax Indemnitee as a result of (in whole or in part) failure of such Tax Indemnitee or a related Tax Indemnitee to file any return properly and timely, unless such failure shall be caused by the failure of Owner to fulfill its obligations, if any, under Section 8.3.6 with respect to such return;

(i) resulting from, or that would not have been imposed but for, any Liens arising as a result of claims against, or acts or omissions of, or otherwise attributable to such Tax Indemnitee or a related Tax Indemnitee that the Owner is not obligated to discharge under the Operative Agreements;

(j) imposed on any Tax Indemnitee as a result of the breach by such Tax Indemnitee or a related Tax Indemnitee of any covenant of such Tax Indemnitee or any Affiliate thereof contained in any Operative Agreement or the inaccuracy of any representation or warranty by such Tax Indemnitee or any Affiliate thereof in any Operative Agreement;

(k) in the nature of an intangible or similar Tax (i) upon or with respect to the value or principal amount of the interest of any Note Holder in any Equipment Note or the loan evidenced thereby but only if such Taxes are in the nature of franchise Taxes or result from the Tax Indemnitee doing business in the taxing jurisdiction and are imposed because of the place of incorporation or the activities unrelated to the transactions contemplated by the Operative Agreements in the taxing jurisdiction of such Tax Indemnitee;

(l) imposed on a Tax Indemnitee by a Taxing Authority of a jurisdiction outside the United States to the extent that such Taxes would not have been imposed but for a connection between the Tax Indemnitee or a related Tax Indemnitee and such jurisdiction imposing such Tax unrelated to the transactions contemplated by the Operative Agreements; or

(m) Taxes relating to ERISA or Section 4975 of the Code.

For purposes hereof, a Tax Indemnitee and any other Tax Indemnitees that are successors, assigns, agents, servants or Affiliates of such Tax Indemnitee shall be related Tax Indemnitees.

8.3.3 Payment

(a) Owner's indemnity obligation to a Tax Indemnitee under this Section 8.3 shall equal the amount which, after taking into account any Tax imposed upon the receipt or accrual of the amounts payable under this Section 8.3 and any tax benefits actually recognized by such Tax Indemnitee as a result of the indemnifiable Tax (including, without limitation, any benefits recognized as a result of an indemnifiable Tax being utilized by such Tax Indemnitee as a credit against Taxes not indemnifiable under this Section 8.3), shall equal the amount of the Tax indemnifiable under this Section 8.3.

(b) At Owner's request, the computation of the amount of any indemnity payment owed by Owner or any amount owed by a Tax Indemnitee to Owner pursuant to this Section 8.3 shall be verified and certified by an independent public accounting firm selected by such Tax Indemnitee and reasonably satisfactory to Owner. Such verification shall be binding. The costs of such verification (including the fee of such public accounting firm) shall be borne by Owner unless such verification shall result in an adjustment in Owner's favor of 5% or more of the net present value of the payment as computed by such Tax Indemnitee, in which case the costs shall be paid by such Tax Indemnitee.

(c) Each Tax Indemnitee shall provide Owner with such certifications, information and documentation as shall be in such Tax Indemnitee's possession and as shall be reasonably requested by Owner to minimize any indemnity payment pursuant to this Section 8.3; provided, that notwithstanding anything to the contrary contained herein, no Tax Indemnitee shall be required to provide Owner with any Tax returns.

(d) Each Tax Indemnitee shall promptly forward to Owner any written notice, bill or advice received by it from any Taxing Authority concerning any Tax for which it seeks indemnification under this Section 8.3. Owner shall pay any amount for which it is liable pursuant to this Section 8.3 directly to the appropriate Taxing Authority if legally permissible or upon demand of a Tax Indemnitee, to such Tax Indemnitee within 30 days of such demand (or, if a contest occurs in accordance with Section 8.3.4, within 30 days after a Final Determination (as defined below)), but in no event more than one Business Day prior to the date the Tax to which such amount payable hereunder relates is due. If requested by a Tax Indemnitee in writing, Owner shall furnish to the appropriate Tax Indemnitee the original or a certified copy of a receipt for Owner's payment of any Tax paid by Owner or such other evidence of payment of such Tax as is acceptable to such Tax Indemnitee. Owner shall also furnish promptly upon written request such data as any Tax Indemnitee may reasonably require to enable such Tax Indemnitee to comply with the requirements of any taxing jurisdiction unless such data is not reasonably available to Owner or, unless such data is specifically requested by a Taxing Authority, is not customarily furnished by domestic air carriers under similar circumstances. For purposes of this Section 8.3, a "Final Determination" shall mean (i) a decision, judgment, decree or other order by any court of competent jurisdiction that occurs pursuant to the provisions of Section 8.3.4, which decision, judgment, decree or other order has become final and unappealable, (ii) a closing agreement or settlement agreement entered into in accordance with Section 8.3.4 that has become binding and is not subject to further review or appeal (absent fraud, misrepresentation, etc.), or (iii) the termination of administrative proceedings and the expiration of the time for instituting a claim in a court proceeding.

(e) If any Tax Indemnitee shall actually realize a tax savings by reason of any Tax paid or indemnified by Owner pursuant to this Section 8.3 (whether such tax savings shall be by means of a foreign tax credit, depreciation or cost recovery deduction or otherwise) and such savings is not otherwise taken into account in computing such payment or indemnity such Tax Indemnitee shall pay to Owner an amount equal to the lesser of (i) the amount of such tax savings, plus any additional tax savings recognized as the result of any payment made pursuant to this sentence, when, as, if, and to the extent, realized or (ii) the amount of all payments pursuant to this Section 8.3 by Owner to such Tax Indemnitee (less any payments previously made by such Tax Indemnitee to Owner pursuant to this Section 8.3.3 (e)) (and the excess, if any, of the amount described in clause (i) over the amount described in clause (ii) shall be carried forward and applied to reduce pro tanto any subsequent obligations of Owner to make payments to such Tax Indemnitee pursuant to this Section 8.3); provided, that such Tax Indemnitee shall not be required to make any payment pursuant to this sentence so long as an Event of Default of a monetary nature has occurred and is continuing. If a tax benefit is later disallowed or denied, the disallowance or denial shall be treated as a Tax indemnifiable under Section 8.3.1 without regard to the provisions of Section 8.3.2 (other than Section 8.3.2 (f)). Each such Tax Indemnitee shall in good faith use reasonable efforts in filing its tax returns and in dealing with Taxing Authorities to seek and claim any such tax benefit.

8.3.4 Contest

(a) If a written claim is made against a Tax Indemnitee for Taxes with respect to which Owner could be liable for payment or indemnity hereunder, or if a Tax Indemnitee makes a determination that a Tax is due for which Owner could have an indemnity obligation hereunder, such Tax Indemnitee shall promptly give Owner notice in writing of such claim (provided, that failure to so notify Owner shall not relieve Owner of its indemnity obligations hereunder unless such failure to notify effectively forecloses Owner's rights to require a contest of such claim) and shall take no action with respect to such claim without the prior written consent of Owner for 30 days following the receipt of such notice by Owner; provided, that, in the case of a claim made against a Tax Indemnitee, if such Tax Indemnitee shall be required by law to take action prior to the end of such 30-day period, such Tax Indemnitee shall, in such notice to Owner, so inform Owner, and such Tax Indemnitee shall take no action for as long as it is legally able to do so (it being understood that a Tax Indemnitee shall be entitled to pay the Tax claimed and sue for a refund prior to the end of such 30-day period if (i)(A) the failure to so pay the Tax would result in substantial penalties (unless immediately reimbursed by Owner) and the act of paying the Tax would not materially prejudice the right to contest or (B) the failure to so pay would result in criminal penalties and (ii) such Tax Indemnitee shall take any action so required in connection with so paying the Tax in a manner that is the least prejudicial to the pursuit of the contest). In addition, such Tax Indemnitee shall (provided, that Owner shall have agreed to keep such information confidential other than to the extent necessary in order to contest the claim) furnish Owner with copies of any requests for information from any Taxing Authority relating to such Taxes with respect to which Owner may be required to indemnify hereunder. If requested by Owner in writing within 30 days after its receipt of such notice, such Tax Indemnitee shall, at the expense of Owner (including, without limitation, all reasonable costs, expenses and reasonable attorneys' and accountants' fees and disbursements), in good faith contest (or, if permitted by applicable law, allow Owner to contest) through appropriate administrative and judicial proceedings the validity, applicability or amount of such Taxes by (I)

resisting payment thereof, (II) not paying the same except under protest if protest is necessary and proper or (III) if the payment is made, using reasonable efforts to obtain a refund thereof in an appropriate administrative and/or judicial proceeding. If requested to do so by Owner, the Tax Indemnitee shall appeal any adverse administrative or judicial decision, except that the Tax Indemnitee shall not be required to pursue any appeals to the United States Supreme Court. If and to the extent the Tax Indemnitee is able to separate the contested issue or issues from other issues arising in the same administrative or judicial proceeding that are unrelated to the transactions contemplated by the Operative Agreements without, in the good faith judgment of such Tax Indemnitee, adversely affecting such Tax Indemnitee, such Tax Indemnitee shall permit Owner to control the conduct of any such proceeding and shall provide to Owner (at Owner's cost and expense) with such information or data that is in such Tax Indemnitee's control or possession that is reasonably necessary to conduct such contest. In the case of a contest controlled by a Tax Indemnitee, such Tax Indemnitee shall consult with Owner in good faith regarding the manner of contesting such claim and shall keep Owner reasonably informed regarding the progress of such contest. A Tax Indemnitee shall not fail to take any action expressly required by this Section 8.3.4 (including, without limitation, any action regarding any appeal of an adverse determination with respect to any claim) or settle or compromise any claim without the prior written consent of the Owner (except as contemplated by Section 8.3.4(b) or (c)).

(b) Notwithstanding the foregoing, in no event shall a Tax Indemnitee be required to pursue any contest (or to permit Owner to pursue any contest) unless (i) Owner shall have agreed to pay such Tax Indemnitee on demand all reasonable costs and expenses incurred by such Tax Indemnitee in connection with contesting such Taxes, including, without limitation, all reasonable out of pocket costs and expenses and reasonable attorneys' and accountants' fees and disbursements, (ii) if such contest shall involve the payment of the claim, Owner shall advance the amount thereof (to the extent indemnified hereunder) plus interest, penalties and additions to tax with respect thereto that are required to be paid prior to the commencement of such contest on an interest-free after-Tax basis to such Tax Indemnitee (and such Tax Indemnitee shall promptly pay to the Owner any net realized tax benefits resulting from such advance including any tax benefits resulting from making such payment), (iii) such Tax Indemnitee shall have reasonably determined that the action to be taken will not result in any material risk of forfeiture, sale or loss of any Pledged Spare Part (unless Owner shall have made provisions to protect the interests of any such Tax Indemnitee in a manner reasonably satisfactory to such Tax Indemnitee) (provided, that such Tax Indemnitee agrees to notify Owner in writing promptly after it becomes aware of any such risk), (iv) no Event of Default shall have occurred and be continuing unless Owner has provided security for its obligations hereunder by advancing to such Tax Indemnitee before proceeding or continuing with such contest, the amount of the Tax being contested, plus any interest and penalties and an amount estimated in good faith by such Tax Indemnitee for expenses, and (v) prior to commencing any judicial action controlled by Owner, Owner shall have acknowledged its liability for such claim hereunder, provided that Owner shall not be bound by its acknowledgment if the Final Determination articulates conclusions of law and fact that demonstrate that Owner has no liability for the contested amounts hereunder. Notwithstanding the foregoing, if any Tax Indemnitee shall release, waive, compromise or settle any claim which may be indemnifiable by Owner pursuant to this Section 8.3 without the written permission of Owner, Owner's obligation to indemnify such Tax Indemnitee with respect to such claim (and all directly related claims and claims based on the

outcome of such claim) shall terminate, subject to Section 8.3.4(c), and subject to Section 8.3.4(c), such Tax Indemnitee shall repay to Owner any amount previously paid or advanced to such Tax Indemnitee with respect to such claim, plus interest at the rate that would have been payable by the relevant Taxing Authority with respect to a refund of such Tax.

(c) Notwithstanding anything contained in this Section 8.3, a Tax Indemnitee will not be required to contest the imposition of any Tax and shall be permitted to settle or compromise any claim without Owner's consent if such Tax Indemnitee (i) shall waive its right to indemnity under this Section 8.3 with respect to such Tax (and any directly related claim and any claim the outcome of which is determined based upon the outcome of such claim), (ii) shall pay to Owner any amount previously paid or advanced by Owner pursuant to this Section 8.3 with respect to such Tax, plus interest at the rate that would have been payable by the relevant Taxing Authority with respect to a refund of such Tax, and (iii) shall agree to discuss with Owner the views or positions of any relevant Taxing Authority with respect to the imposition of such Tax.

8.3.5 Refund

If any Tax Indemnitee shall receive a refund of, or be entitled to a credit against other liability for, all or any part of any Taxes paid, reimbursed or advanced by Owner, such Tax Indemnitee shall pay to Owner within 30 days of such receipt an amount equal to the lesser of (a) the amount of such refund or credit plus any net tax benefit (taking into account any Taxes incurred by such Tax Indemnitee by reason of the receipt of such refund or realization of such credit) actually realized by such Tax Indemnitee as a result of any payment by such Tax Indemnitee made pursuant to this sentence (including this clause (a)) and (b) such tax payment, reimbursement or advance by Owner to such Tax Indemnitee theretofore made pursuant to this Section 8.3 (and the excess, if any, of the amount described in clause (a) over the amount described in clause (b) shall be carried forward and applied to reduce pro tanto any subsequent obligation of Owner to make payments to such Tax Indemnitee pursuant to this Section 8.3). If, in addition to such refund or credit, such Tax Indemnitee shall receive (or be credited with) an amount representing interest on the amount of such refund or credit, such Tax Indemnitee shall pay to Owner within 30 days of such receipt or realization of such credit that proportion of such interest that shall be fairly attributable to Taxes paid, reimbursed or advanced by Owner prior to the receipt of such refund or realization of such credit.

8.3.6 Tax Filing

If any report, return or statement is required to be filed with respect to any Tax which is subject to indemnification under this Section 8.3, Owner shall timely file the same (except for any such report, return or statement which a Tax Indemnitee has timely notified the Owner in writing that such Tax Indemnitee intends to file, or for which such Tax Indemnitee is required by law to file, in its own name); provided, that the relevant Tax Indemnitee shall furnish Owner with any information in such Tax Indemnitee's possession or control that is reasonably necessary to file any such return, report or statement and is reasonably requested in writing by Owner (it being understood that the Tax Indemnitee shall not be required to furnish copies of its actual tax returns, although it may be required to furnish relevant information contained therein). Owner shall either file such report, return or statement and send a copy of such report, return or statement to such Tax Indemnitee, or, where Owner is not permitted to file such report, return or

statement, it shall notify such Tax Indemnitee of such requirement and prepare and deliver such report, return or statement to such Tax Indemnitee in a manner satisfactory to such Tax Indemnitee within a reasonable time prior to the time such report, return or statement is to be filed.

8.3.7 Forms

Each Tax Indemnitee agrees to furnish from time to time to Owner or Mortgagee or to such other person as Owner or Mortgagee may designate, at Owner's or Mortgagee's request, such duly executed and properly completed forms as may be necessary or appropriate in order to claim any reduction of or exemption from any withholding or other Tax imposed by any Taxing Authority, if (x) such reduction or exemption is available to such Tax Indemnitee and (y) Owner has provided such Tax Indemnitee with any information necessary to complete such form not otherwise reasonably available to such Tax Indemnitee.

8.3.8 Non-Parties

If a Tax Indemnitee is not a party to this Agreement, Owner may require the Tax Indemnitee to agree in writing, in a form reasonably acceptable to Owner, to the terms of this Section 8.3 and Section 12.8 prior to making any payment to such Tax Indemnitee under this Section 8.3.

8.3.9 Subrogation

Upon payment of any Tax by Owner pursuant to this Section 8.3 to or on behalf of a Tax Indemnitee, Owner, without any further action, shall be subrogated to any claims that such Tax Indemnitee may have relating thereto. Such Tax Indemnitee shall cooperate with Owner (to the extent such cooperation does not result in any unreimbursed cost, expense or liability to such Tax Indemnitee) to permit Owner to pursue such claims.

8.4 Payments

Any payments made pursuant to Section 8.1 or 8.3 shall be due on the 30th day after demand therefor and shall be made directly to the relevant Indemnitee or Tax Indemnitee or to Owner, in immediately available funds at such bank or to such account as specified by such Indemnitee or Tax Indemnitee or Owner, as the case may be, in written directives to the payor, or, if no such direction shall have been given, by check of the payor payable to the order of, and mailed to, such Indemnitee or Tax Indemnitee or Owner, as the case may be, by certified mail, postage prepaid, at its address as set forth in this Agreement.

8.5 Interest

If any amount payable by Owner, any Indemnitee or any Tax Indemnitee under Section 8.1 or 8.3 is not paid when due, the person obligated to make such payment shall pay on demand, to the extent permitted by Law, to the person entitled thereto, interest on any such amount for the period from and including the due date for such amount to but excluding the date the same is paid, at the Payment Due Rate. Such interest shall be paid in the same manner as the unpaid amount in respect of which such interest is due.

8.6 Benefit of Indemnities

The obligations of Owner in respect of all indemnities, obligations, adjustments and payments in Section 8.1 or 8.3 are expressly made for the benefit of, and shall be enforceable by, the Indemnitee or Tax Indemnitee entitled thereto, notwithstanding any provision of the Trust Indenture.

SECTION 9. ASSIGNMENT OR TRANSFER OF INTEREST

9.1 Note Holders

Subject to Section 6.3.2 hereof and Section 2.07 of the Trust Indenture, any Note Holder may, at any time and from time to time, Transfer or grant participations in all or any portion of the Equipment Notes and/or all or any portion of its beneficial interest in its Equipment Notes to any person (it being understood that the sale or issuance of Pass Through Certificates by a Pass Through Trustee shall not be considered a Transfer or participation); provided, that any participant in any such participations shall not have any direct rights under the Operative Agreements or any Lien on all or any part of the Collateral and Owner shall not have any increased liability or obligations as a result of any such participation. In the case of any such Transfer, the Transferee, by acceptance of Equipment Notes in connection with such Transfer, shall be deemed to be bound by all of the covenants of Note Holders contained in the Operative Agreements.

9.2 Effect of Transfer

Upon any Transfer in accordance with Section 9.1 (other than any Transfer by any Note Holder, to the extent it grants only participations in Equipment Notes or in its beneficial interest therein), Transferee shall be deemed a "Note Holder," for all purposes of this Agreement and the other Operative Agreements, and the transferring Note Holder shall be released from all of its liabilities and obligations under this Agreement and any other Operative Agreements to the extent such liabilities and obligations arise after such Transfer and, in each case, to the extent such liabilities and obligations are assumed by the Transferee; provided, that such transferring Note Holder (and its respective Affiliates, successors, assigns, agents, servants, representatives, directors and officers) will continue to have the benefit of any rights or indemnities under any Operative Agreement vested or relating to circumstances, conditions, acts or events prior to such Transfer.

SECTION 10. SECTION 1110

It is the intention of each of the Owner, the Note Holders (such intention being evidenced by each of their acceptance of an Equipment Note), and Mortgagee that Mortgagee shall be entitled to the benefits of Section 1110 in the event of a case under Chapter 11 of the Bankruptcy Code in which Owner is a debtor.

SECTION 11. CHANGE OF CITIZENSHIP**11.1 Generally**

Without prejudice to the representations, warranties or covenants regarding the status of any party hereto as a Citizen of the United States, each of Owner, WTC and Mortgagee agrees that it will, immediately upon obtaining knowledge of any facts that would cast doubt upon its continuing status as a Citizen of the United States and promptly upon public disclosure of negotiations in respect of any transaction which would or might adversely affect such status, notify in writing all parties hereto of all relevant matters in connection therewith.

11.2 Mortgagee

Upon WTC giving any notice in accordance with Section 11.1, Mortgagee shall (if and so long as such citizenship is necessary under the Act as in effect at such time or, if it is not necessary, if and so long as Mortgagee's citizenship could have any adverse effect on Owner, or any Note Holder), subject to Section 9.02 of the Trust Indenture, resign as Mortgagee promptly upon its ceasing to be such a citizen.

SECTION 12. MISCELLANEOUS**12.1 Amendments**

No provision of this Agreement may be amended, supplemented, waived, modified, discharged, terminated or otherwise varied orally, but only by an instrument in writing that specifically identifies the provision of this Agreement that it purports to amend, supplement, waive, modify, discharge, terminate or otherwise vary and is signed by the party against which the enforcement of the amendment, supplement, waiver, modification, discharge, termination or variance is sought. Each such amendment, supplement, waiver, modification, discharge, termination or variance shall be effective only in the specific instance and for the specific purpose for which it is given. No provision of this Agreement shall be varied or contradicted by oral communication, course of dealing or performance or other manner not set forth in an agreement, document or instrument in writing and signed by the party against which enforcement of the same is sought.

12.2 Severability

If any provision hereof shall be held invalid, illegal or unenforceable in any respect in any jurisdiction, then, to the extent permitted by Law, (a) all other provisions hereof shall remain in full force and effect in such jurisdiction and (b) such invalidity, illegality or unenforceability shall not affect the validity, legality or enforceability of such provision in any other jurisdiction. If, however, any Law pursuant to which such provisions are held invalid, illegal or unenforceable may be waived, such Law is hereby waived by the parties hereto to the full extent permitted, to the end that this Agreement shall be deemed to be a valid and binding agreement in all respects, enforceable in accordance with its terms.

12.3 Survival

The indemnities set forth herein shall survive the delivery or return of the Collateral, the Transfer of any interest by any Note Holder of its Equipment Note and the expiration or other termination of this Agreement, any other Operative Agreement or any Policy Provider Document.

12.4 Reproduction of Documents

This Agreement, all schedules and exhibits hereto and all agreements, instruments and documents relating hereto, including, without limitation, (a) consents, waivers and modifications that may hereafter be executed and (b) financial statements, certificates and other information previously or hereafter furnished to any party hereto, may be reproduced by such party by any photographic, photostatic, microfilm, micro-card, miniature photographic or other similar process, and such party may destroy any original documents so reproduced. Any such reproduction shall be as admissible in evidence as the original itself in any judicial or administrative proceeding (whether or not the original is in existence and whether or not such reproduction was made by such party in the regular course of business) and any enlargement, facsimile or further reproduction of such reproduction likewise is admissible in evidence.

12.5 Counterparts

This Agreement and any amendments, waivers, consents or supplements hereto may be executed in any number of counterparts (or upon separate signature pages bound together into one or more counterparts), each of which when so executed shall be deemed to be an original, and all of which counterparts, taken together, shall constitute one and the same instrument.

12.6 No Waiver

No failure on the part of any party hereto to exercise, and no delay by any party hereto in exercising, any of its respective rights, powers, remedies or privileges under this Agreement or provided at Law, in equity or otherwise shall impair, prejudice or constitute a waiver of any such right, power, remedy or privilege or be construed as a waiver of any breach hereof or default hereunder or as an acquiescence therein nor shall any single or partial exercise of any such right, power, remedy or privilege preclude any other or further exercise thereof by it or the exercise of any other right, power, remedy or privilege by it. No notice to or demand on any party hereto in any case shall, unless otherwise required under this Agreement, entitle such party to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of any party hereto to any other or further action in any circumstances without notice or demand.

12.7 Notices

Unless otherwise expressly permitted by the terms hereof, all notices, requests, demands, authorizations, directions, consents, waivers and other communications required or permitted to be made, given, furnished or filed hereunder shall be in writing (it being understood that the specification of a writing in certain instances and not in others does not imply an intention that a writing is not required as to the latter), shall refer specifically to this Agreement or other applicable Operative Agreement, and shall be personally delivered, sent by facsimile or

telecommunication transmission (which in either case provides written confirmation to the sender of its delivery), sent by registered mail or certified mail, return receipt requested, postage prepaid, or sent by overnight courier service, in each case to the respective address, or facsimile number set forth for such party in Schedule 1, or to such other address, facsimile or other number as each party hereto may hereafter specify by notice to the other parties hereto. Each such notice, request, demand, authorization, direction, consent, waiver or other communication shall be effective when received or, if made, given, furnished or filed (a) by facsimile or telecommunication transmission, when confirmed, or (b) by registered or certified mail, three Business Days after being deposited, properly addressed, with the U.S. Postal Service.

12.8 GOVERNING LAW; SUBMISSION TO JURISDICTION; VENUE

(a) THIS AGREEMENT SHALL IN ALL RESPECTS BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE. THIS AGREEMENT IS BEING DELIVERED IN THE STATE OF NEW YORK.

(b) EACH PARTY HERETO HEREBY IRREVOCABLY AGREES, ACCEPTS AND SUBMITS ITSELF TO THE NON-EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK IN THE CITY AND COUNTY OF NEW YORK AND OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF NEW YORK, IN CONNECTION WITH ANY LEGAL ACTION, SUIT OR PROCEEDING WITH RESPECT TO ANY MATTER RELATING TO OR ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT.

(c) EACH PARTY HERETO HEREBY IRREVOCABLY CONSENTS AND AGREES THAT SERVICE OF ANY AND ALL LEGAL PROCESS, SUMMONS, NOTICES AND DOCUMENTS OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH SUIT, ACTION OR PROCEEDING MAY BE MADE BY MAILING COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, AT THE ADDRESS SET FORTH PURSUANT TO SECTION 12.7. EACH PARTY HERETO HEREBY AGREES THAT SERVICE UPON IT, OR ANY OF ITS AGENTS, IN EACH CASE IN ACCORDANCE WITH THIS SECTION 12.8(c), SHALL CONSTITUTE VALID AND EFFECTIVE PERSONAL SERVICE UPON SUCH PARTY, AND EACH PARTY HERETO HEREBY AGREES THAT THE FAILURE OF ANY OF ITS AGENTS TO GIVE ANY NOTICE OF SUCH SERVICE TO ANY SUCH PARTY SHALL NOT IMPAIR OR AFFECT IN ANY WAY THE VALIDITY OF SUCH SERVICE ON SUCH PARTY OR ANY JUDGMENT RENDERED IN ANY ACTION OR PROCEEDING BASED THEREON.

(d) EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE EXTENT PERMITTED BY APPLICABLE LAW, AND AGREES NOT TO ASSERT, BY WAY OF MOTION, AS A DEFENSE, OR OTHERWISE, IN ANY LEGAL ACTION OR PROCEEDING BROUGHT HEREUNDER IN ANY OF THE ABOVE-NAMED COURTS, THAT SUCH ACTION OR PROCEEDING IS BROUGHT IN AN INCONVENIENT FORUM, THAT VENUE FOR THE ACTION OR PROCEEDING IS

IMPROPER OR THAT THIS AGREEMENT OR ANY OTHER OPERATIVE AGREEMENT MAY NOT BE ENFORCED IN OR BY SUCH COURTS.

(e) EACH PARTY HERETO HEREBY WAIVES ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION IN ANY COURT IN ANY JURISDICTION BASED UPON OR ARISING OUT OF OR RELATING TO THIS AGREEMENT.

12.9 Third-Party Beneficiary

This Agreement is not intended to, and shall not, provide any person not a party hereto (other than the Indenture Indemnitees, each of which is an intended third party beneficiary with respect to the provisions of Section 8.1 and, in the case of the Tax Indemnitees, Section 8.3) with any rights of any nature whatsoever against any of the parties hereto and no person not a party hereto (other than the Indenture Indemnitees, with respect to the provisions of Section 8.1 and, in the case of the Tax Indemnitees, Section 8.3) shall have any right, power or privilege in respect of any party hereto, or have any benefit or interest, arising out of this Agreement.

12.10 Entire Agreement

This Agreement, together with the other Operative Agreements, on and as of the date hereof, constitutes the entire agreement of the parties hereto with respect to the subject matter hereof, and all prior or contemporaneous understandings or agreements, whether written or oral, among any of the parties hereto with respect to such subject matter are hereby superseded in their entireties.

12.11 Further Assurances

Each party hereto shall execute, acknowledge and deliver or shall cause to be executed, acknowledged and delivered, all such further agreements, instruments, certificates or documents, and shall do and cause to be done such further acts and things, in any case, as any other party hereto shall reasonably request in connection with the administration of, or to carry out more effectually the purposes of, or to better assure and confirm into such other party the rights and benefits to be provided under this Agreement and the other Operative Agreements.

[This space intentionally left blank]

IN WITNESS WHEREOF, each of the parties has caused this Note Purchase Agreement to be duly executed and delivered as of the day and year first above written.

CONTINENTAL AIRLINES, INC.
Owner

By:

Name:
Title:

WILMINGTON TRUST COMPANY,
not in its individual capacity, except as
expressly provided herein, but solely as
Mortgagee

By:

Name:
Title:

WILMINGTON TRUST COMPANY,
not in its individual capacity, except as
expressly provided herein, but solely as Pass
Through Trustee under the Pass Through Trust
Agreement for the Continental Airlines Pass
Through Trust, 2006-1G

By:

Name:
Title:

WILMINGTON TRUST COMPANY,
not in its individual capacity, except as
expressly provided herein, but solely as Pass
Through Trustee under the Pass Through Trust
Agreement for the Continental Airlines Pass
Through Trust, 2006-1B

By:

Name:
Title:

WILMINGTON TRUST COMPANY,
not in its individual capacity, except as
expressly provided herein, but solely as
Subordination Agent

By:

Name:

Title:

SIGNATURE PAGE

ACCOUNTS; ADDRESSES

	<u>Account for Payments</u>	<u>Address for Notices</u>
Continental Airlines, Inc.	JPMorgan Chase Bank New York, New York 10081 Account No.: 910-2-499291 ABA#: 021-000021 Reference: Continental Spare Parts-06	Continental Airlines, Inc. 1600 Smith Street Dept. HQS-FN Houston, Texas 77002 Attention: Treasurer Facsimile: (713) 324-2447
Wilmington Trust Company, Mortgagee	Wilmington Trust Company Wilmington, Delaware 19890 Account No.: 076969-000 ABA#: 031100092 Attention: Corporate Trust Administration Reference: Continental Spare Parts-06	Wilmington Trust Company Rodney Square North 1100 North Market Street Wilmington, Delaware 19890 Attention: Corporate Trust Administration Facsimile: (302) 636-4140
Wilmington Trust Company, as Subordination Agent	Wilmington Trust Company Wilmington, Delaware 19890 Account No.: 076970-000 ABA#: 031100092 Attention: Corporate Trust Administration Reference: Continental Spare Parts-06	Wilmington Trust Company Rodney Square North 1100 North Market Street Wilmington, Delaware 19890 Attention: Corporate Trust Administration Facsimile: (302) 636-4140
Wilmington Trust Company, as Pass Through Trustee for the 2006-1G Pass Through Trust	Wilmington Trust Company Wilmington, Delaware 19890 Account No.: 076971-000 ABA#: 031100092 Attention: Corporate Trust Administration Reference: Continental Spare Parts-06	Wilmington Trust Company Rodney Square North 1100 North Market Street Wilmington, Delaware 19890 Attention: Corporate Trust Administration Facsimile: (302) 636-4140
Wilmington Trust Company, as Pass Through Trustee for the 2006-1B Pass Through Trust	Wilmington Trust Company Wilmington, Delaware 19890 Account No.: 076972-000 ABA#: 031100092 Attention: Corporate Trust Administration Reference: Continental Spare Parts-06	Wilmington Trust Company Rodney Square North 1100 North Market Street Wilmington, Delaware 19890 Attention: Corporate Trust Administration Facsimile: (302) 636-4140

CERTAIN TERMS**Defined Term****Definition**

Initial Period Debt Rate	In the case of the Series G, 5.6325% per annum and, in the case of the Series B, 8.4075% per annum.
Redemption Price	\$292,673,230.

EXHIBIT A TO
NOTE PURCHASE AGREEMENT

[Opinion of Special Counsel to Owner]

EXHIBIT B TO
NOTE PURCHASE AGREEMENT

[Opinion of Legal Department of Owner]

EXHIBIT C TO
NOTE PURCHASE AGREEMENT

[Opinion of Special Counsel to Mortgagee and to the Pass Through Trustees]

EXHIBIT D TO NOTE PURCHASE AGREEMENT

[Opinion of Special Counsel in Oklahoma City, Oklahoma]

EXHIBIT E TO NOTE PURCHASE AGREEMENT

RELEASE

The undersigned hereby releases from the terms of the encumbrances described on the attached Appendix, which shall be of no further force or effect, all of its right, title and interest in and to the collateral covered thereby.

Dated this ____ day of _____, 2006.

WILMINGTON TRUST COMPANY
as Security Agent

By: _____

Title: _____

APPENDIX

Spare Parts Security Agreement dated as of December 6, 2002, by Continental Airlines, Inc. in favor of Wilmington Trust Company as Security Agent, recorded by the Federal Aviation Administration on January 9, 2003, as Conveyance No. J001986, as amended by Amendment No. 1 to Spare Parts Security Agreement dated as of May 9, 2003, recorded on May 13, 2003 as Conveyance No. MM024723, supplemented by Supplemental Security Agreement No. 1 dated as of July 29, 2003, recorded on August 5, 2003, as Conveyance No. XX024435 and further amended by Amendment No. 2 to Spare Parts Security Agreement dated as of April 16, 2004, recorded on April 26, 2004, as Conveyance No. Y008129.

TRUST INDENTURE AND MORTGAGE

Dated as of June 9, 2006

Between

CONTINENTAL AIRLINES, INC.,

Owner

and

WILMINGTON TRUST COMPANY,
not in its individual capacity,
except as expressly stated herein,
but solely as Mortgagee,

Mortgagee

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TRUST INDENTURE AND MORTGAGE

TRUST INDENTURE AND MORTGAGE, dated as of June 9, 2006 (“Trust Indenture”), between CONTINENTAL AIRLINES, INC., a Delaware corporation (“Owner”), and WILMINGTON TRUST COMPANY, a Delaware banking corporation, not in its individual capacity, except as expressly stated herein, but solely as Mortgagee hereunder (together with its successors hereunder, the “Mortgagee”).

W I T N E S S E T H:

WHEREAS, all capitalized terms used herein shall have the respective meanings set forth or referred to in Article I hereof;

WHEREAS, the Company, which is a certificated air carrier under Section 44705 of title 49 of the U.S. Code, and the Mortgagee desire by this Trust Indenture, among other things, (i) to provide for the issuance by the Owner of the Equipment Notes and (ii) to provide for the assignment, mortgage and pledge by the Owner to the Mortgagee, as part of the Collateral hereunder, among other things, of all of the Owner’s right, title and interest in and to the Pledged Spare Parts and, except as hereinafter expressly provided, all payments and other amounts received hereunder in accordance with the terms hereof, as security for, among other things, the Owner’s obligations to the Note Holders and the Indenture Indemnitees;

WHEREAS, Schedule I to this Trust Indenture specifically describes the locations at which the Spare Parts and Appliances covered by the security interest of this Trust Indenture may be maintained by or on behalf of the Company, and Section 4.04(b) of this Trust Indenture provides for the designation of additional locations pursuant to Trust Indenture Location Supplements;

WHEREAS, all things have been done to make the Equipment Notes, when executed by the Owner and authenticated and delivered by the Mortgagee hereunder, the valid, binding and enforceable obligations of the Owner; and

WHEREAS, all things necessary to make this Trust Indenture the valid, binding and legal obligation of the Owner for the uses and purposes herein set forth, in accordance with its terms, have been done and performed and have happened;

GRANTING CLAUSE

NOW, THEREFORE, THIS TRUST INDENTURE AND MORTGAGE WITNESSETH, that, to secure the prompt payment of the Original Amount of, interest on, Break Amount, if any, Premium, if any, and all other amounts due with respect to, all Equipment Notes from time to time outstanding hereunder according to their tenor and effect and to secure the performance and observance by the Owner of all the agreements, covenants and provisions contained herein and in the other Operative Agreements for the benefit of the Note Holders and each of the Indemnitees, and in consideration of the premises and of the covenants herein contained, and of the acceptance of the Equipment Notes by the holders thereof, and for other good and valuable consideration the receipt and adequacy whereof are hereby acknowledged, the

Owner has granted, bargained, sold, assigned, transferred, conveyed, mortgaged, pledged and confirmed, and does hereby grant, bargain, sell, assign, transfer, convey, mortgage, pledge and confirm, unto the Mortgagee, its successors in trust and assigns, for the security and benefit of, the Note Holders and each of the Indenture Indemnitees, a first priority security interest in and mortgage lien on all right, title and interest of the Owner in, to and under the following described property, rights and privileges, whether now or hereafter acquired (which, collectively, together with all property hereafter specifically subject to the Lien of this Trust Indenture by the terms hereof or any supplement hereto, are included within, and are referred to as, the "Collateral"), to wit:

(1) All Spare Parts and Appliances first placed in service after October 22, 1994 and currently owned or hereafter acquired by the Owner that (I) (a) are appropriate for incorporation in, installation on, attachment or appurtenance to, or use in, (i) one or more of the following models of Aircraft: a Boeing model 737-700, 737-800, 737-900, 757-200, 757-300, 767-200, 767-400 or 777-200 Aircraft; (ii) any Engine utilized on any such Aircraft; or (iii) any other Qualified Spare Part, and (b) are not appropriate for incorporation in, installation on, attachment or appurtenance to, or use in, any other model of Aircraft currently operated by the Owner or any Engine utilized on any such other model of Aircraft, (II) are Rotable Parts appropriate for incorporation in, installation on, attachment or appurtenance to, or use in a Boeing model 737-300 or 737-500 Aircraft (or both), any Engine utilized on any such Aircraft or any other Qualified Spare Part, (III) are Rotable Parts appropriate for incorporation in, installation on, attachment or appurtenance to, or use in more than one of the following models of Aircraft: a Boeing model 737-300, 737-500, 737-700, 737-800, 737-900, 757-200, 757-300, 767-200, 767-400 or 777-200 Aircraft, or any Engine utilized on any such Aircraft or (IV) effective on and after the date that the Owner shall have executed and delivered to the Mortgagee a Trust Indenture Collateral Supplement, are described in such Trust Indenture Collateral Supplement (collectively, "Qualified Spare Parts"), provided that the following shall be excluded from the Lien of this Trust Indenture: (w) any Spare Part or Appliance so long as it is incorporated in, installed on, attached or appurtenant to, or being used in, an Aircraft, Engine or Qualified Spare Part that is so incorporated, installed, attached, appurtenant or being used; (x) any Spare Part or Appliance that has been incorporated in, installed on, attached or appurtenant to, or used in an Aircraft, Engine or Qualified Spare Part that has been so incorporated, installed, attached, appurtenant or used, for so long after its removal from such Aircraft or Engine as it remains owned by a lessor or conditional seller of, or subject to a Lien applicable to, such Aircraft or Engine; (y) the Excluded Parts; and (z) any Spare Part or Appliance leased to, loaned to, or held on consignment by, the Owner (such Spare Parts and Appliances, giving effect to such exclusions, the "Pledged Spare Parts");

(2) The rights of the Owner under any warranty or indemnity, express or implied, regarding title, materials, workmanship, design or patent infringement or related matters in respect of the Pledged Spare Parts (the "Warranties");

(3) All proceeds with respect to the sale or other disposition by the Mortgagee of any Pledged Spare Part or other Collateral pursuant to the terms of this Trust Indenture, and all insurance proceeds with respect to any Pledged Spare Part, but excluding any insurance maintained by the Owner and not required under Section 4.09;

(4) All rents, revenues and other proceeds collected by the Mortgagee pursuant to Section 5.03(b) and all monies and securities from time to time deposited or required to be deposited with the Mortgagee by or for the account of the Owner pursuant to any terms of this Trust Indenture or the Collateral Maintenance Agreement held or required to be held by the Mortgagee hereunder, including all Eligible Accounts (including the Securities Account);

(5) All cash, Investment Securities and other financial assets held in any Eligible Account by the Mortgagee or an Eligible Institution; all Cash Collateral; and all security entitlements with respect thereto;

(6) All repair, maintenance and inventory records, logs, manuals and all other documents and materials similar thereto (including, without limitation, any such records, logs, manuals, documents and materials that are computer print-outs) at any time maintained, created or used by the Owner, and all records, logs, documents and other materials required at any time to be maintained by the Owner pursuant to the FAA or under the Act, in each case with respect to any of the Pledged Spare Parts (the "Spare Parts Documents"); and

(7) All proceeds of the foregoing.

PROVIDED, HOWEVER, that notwithstanding any of the foregoing provisions, so long as no Event of Default shall have occurred and be continuing, (a) the Mortgagee shall not take or cause to be taken any action contrary to the Owner's right hereunder to quiet enjoyment of the Pledged Spare Parts, and to possess, use, retain and control the Pledged Spare Parts and all revenues, income and profits derived therefrom, and (b) the Owner shall have the right, to the exclusion of the Mortgagee, with respect to the warranties and indemnities referred to in clause (2) above, to exercise in the Owner's name all rights and powers (other than to amend, modify or waive any of the warranties or indemnities contained therein, except in the exercise of the Owner's reasonable business judgment) and to retain any recovery or benefit resulting from the enforcement of any warranty or indemnity; and provided further that, notwithstanding the occurrence or continuation of an Event of Default, the Mortgagee shall not enter into any amendment of any such warranty or indemnity which would increase the obligations of the Owner thereunder.

TO HAVE AND TO HOLD all and singular the aforesaid property unto the Mortgagee, and its successors and assigns, in trust for the equal and proportionate benefit and security of the Note Holders and the Indenture Indemnitees, except as provided in Section 2.13 and Article III hereof, without any preference, distinction or priority of any one Equipment Note over any other by reason of priority of time of issue, sale, negotiation, date of maturity thereof or otherwise for any reason whatsoever, and for the uses and purposes and in all cases and as to all property specified in clauses (1) through (7) inclusive above, subject to the terms and provisions set forth in this Trust Indenture.

It is expressly agreed that anything herein contained to the contrary notwithstanding, the Owner shall remain liable under the Indenture Agreements to perform all of the obligations assumed by it thereunder, except to the extent prohibited or excluded from doing so pursuant to the terms and provisions thereof, and the Mortgagee, the Note Holders and the

Indenture Indemnitees shall have no obligation or liability under the Indenture Agreements by reason of or arising out of the assignment hereunder, nor shall the Mortgagee, the Note Holders or the Indenture Indemnitees be required or obligated in any manner to perform or fulfill any obligations of the Owner under or pursuant to the Indenture Agreements, or, except as herein expressly provided, to make any payment, to make any inquiry as to the nature or sufficiency of any payment received by it, to present or file any claim, or to take any action to collect or enforce the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

The Owner does hereby constitute the Mortgagee the true and lawful attorney of the Owner, irrevocably, granted for good and valuable consideration and coupled with an interest and with full power of substitution, and with full power (in the name of the Owner or otherwise) to ask for, require, demand, receive, compound and give acquittance for any and all monies and claims for monies (in each case including insurance and requisition proceeds) due and to become due under or arising out of the Indenture Agreements, and all other property which now or hereafter constitutes part of the Collateral, to endorse any checks or other instruments or orders in connection therewith and to file any claims or to take any action or to institute any proceedings which the Mortgagee may deem to be necessary or advisable in the premises; provided that the Mortgagee shall not exercise any such rights except upon the occurrence and during the continuance of an Event of Default hereunder.

The Owner agrees that at any time and from time to time, upon the written request of the Mortgagee, the Owner will promptly and duly execute and deliver or cause to be duly executed and delivered any and all such further instruments and documents (including without limitation UCC continuation statements) as the Mortgagee may reasonably deem necessary to perfect, preserve or protect the mortgage, security interests and assignments created or intended to be created hereby or to obtain for the Mortgagee the full benefits of the assignment hereunder and of the rights and powers herein granted.

IT IS HEREBY COVENANTED AND AGREED by and between the parties hereto as follows:

ARTICLE I

DEFINITIONS

Capitalized terms used but not defined herein shall have the respective meanings set forth or incorporated by reference, and shall be construed in the manner described, in Annex A hereto.

ARTICLE II

THE EQUIPMENT NOTES

SECTION 2.01. Form of Equipment Notes

The Equipment Notes shall be substantially in the form set forth below:

THIS EQUIPMENT NOTE HAS NOT BEEN REGISTERED PURSUANT TO THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR PURSUANT TO THE SECURITIES LAWS OF ANY STATE. ACCORDINGLY, THIS EQUIPMENT NOTE MAY NOT BE SOLD UNLESS EITHER REGISTERED UNDER THE ACT AND SUCH APPLICABLE STATE LAWS OR AN EXEMPTION FROM SUCH REGISTRATIONS IS AVAILABLE.

CONTINENTAL AIRLINES, INC.

SERIES [G/B] EQUIPMENT NOTE DUE JUNE 2, 2013

No. _____

Date: [_____, ____]

MATURITY DATE

June 2, 2013

CONTINENTAL AIRLINES, INC., a Delaware corporation ("Owner"), hereby promises to pay to [_____,] or the registered assignee thereof, the principal sum of \$[_____] (the "Original Amount"), together with interest on the amount of the Original Amount remaining unpaid from time to time from the date hereof until paid in full at a rate per annum for each Interest Period equal to the Debt Rate for such Interest Period (calculated on the basis of a year of 360 days and actual days elapsed during the period for which such amount accrues). The Original Amount of this Equipment Note shall be paid in full on June 2, 2013. Accrued but unpaid interest shall be due and payable in quarterly installments commencing on September 2, 2006, and thereafter on December 2, March 2, June 2 and September 2 of each year, to and including June 2, 2013. Interest shall be payable with respect to the first but not the last day of each Interest Period. Notwithstanding the foregoing, the final payment made on this Equipment Note shall be in an amount sufficient to discharge in full the unpaid Original Amount and all accrued and unpaid interest on, and any other amounts due under, this Equipment Note. Notwithstanding anything to the contrary contained herein, if any date on which a payment under this Equipment Note becomes due and payable is not a Business Day, then such payment shall not be made on such scheduled date but shall be made on the next succeeding Business Day, and such extension of time shall be included in the computation of interest payable.

For purposes hereof, the term "Trust Indenture" means the Trust Indenture and Mortgage, dated as of June 9, 2006, between the Owner and Wilmington Trust Company (the "Mortgagee"), as the same may be amended or supplemented from time to time. All other capitalized terms used in this Equipment Note and not defined herein shall have the respective meanings assigned in the Trust Indenture.

This Equipment Note shall bear interest, payable on demand, at the Payment Due Rate (calculated on the basis of a year of 360 days and actual days elapsed during the period for which such amount accrues) on any overdue payment of all or a portion of the Original Amount and (to the extent permitted by applicable Law) any overdue interest and any other amounts

payable hereunder which are overdue, in each case for the period the same is overdue. Amounts shall be overdue if not paid when due (whether at stated maturity, by acceleration or otherwise).

There shall be maintained an Equipment Note Register for the purpose of registering transfers and exchanges of Equipment Notes at the Corporate Trust Office of the Mortgagee or at the office of any successor in the manner provided in Section 2.07 of the Trust Indenture.

The Original Amount and interest and other amounts due hereunder shall be payable in Dollars in immediately available funds at the Corporate Trust Office of the Mortgagee, or as otherwise provided in the Trust Indenture. Each such payment shall be made on the date such payment is due and without any presentment or surrender of this Equipment Note, except that in the case of any final payment with respect to this Equipment Note, the Equipment Note shall be surrendered promptly thereafter to the Mortgagee for cancellation.

The holder hereof, by its acceptance of this Equipment Note, agrees that, except as provided in the Trust Indenture, each payment of all or a portion of the Original Amount, interest, Break Amount, if any, and Premium, if any, received by it hereunder shall be applied, first, to the payment of Break Amount, if any, with respect to this Equipment Note, second, to the payment of accrued interest on this Equipment Note (as well as any interest on any overdue payment of all or a portion of the Original Amount, any overdue Break Amount and Premium, if any, or, to the extent permitted by Law, any overdue interest and other amounts hereunder) to the date of such payment, third, to the payment of all or the portion of the Original Amount of this Equipment Note then due, fourth, to the payment of Premium, if any, and any other amount due hereunder or under the Trust Indenture, and fifth, the balance, if any, remaining thereafter, to the payment of the Original Amount of this Equipment Note remaining unpaid.

This Equipment Note is one of the Equipment Notes referred to in the Trust Indenture which have been or are to be issued by the Owner pursuant to the terms of the Trust Indenture. The Collateral is held by the Mortgagee as security, in part, for the Equipment Notes. The provisions of this Equipment Note are subject to the Trust Indenture. Reference is hereby made to the Trust Indenture for a complete statement of the rights and obligations of the holder of, and the nature and extent of the security for, this Equipment Note and the rights and obligations of the holders of, and the nature and extent of the security for, any other Equipment Notes executed and delivered under the Trust Indenture, as well as for a statement of the terms and conditions of the Trust created by the Trust Indenture, to all of which terms and conditions in the Trust Indenture each holder hereof agrees by its acceptance of this Equipment Note.

As provided in the Trust Indenture and subject to certain limitations therein set forth, this Equipment Note is exchangeable for a like aggregate Original Amount of Equipment Notes of different authorized denominations, as requested by the holder surrendering the same.

Prior to due presentment for registration of transfer of this Equipment Note, the Owner and the Mortgagee shall treat the person in whose name this Equipment Note is registered as the owner hereof for all purposes, whether or not this Equipment Note be overdue, and neither the Owner nor the Mortgagee shall be affected by notice to the contrary.

This Equipment Note is subject to redemption as provided in Sections 2.11 and 2.12 of the Trust Indenture but not otherwise. In addition, this Equipment Note may be accelerated as provided in Section 5.02 of the Trust Indenture.

[The indebtedness evidenced by this Equipment Note is, to the extent and in the manner provided in the Trust Indenture, subordinate and subject in right of payment to the prior payment in full of the Secured Obligations (as defined in the Trust Indenture) in respect of Series G Equipment Notes, and certain other Secured Obligations and this Equipment Note is issued subject to such provisions. The Note Holder of this Equipment Note, by accepting the same, (a) agrees to and shall be bound by such provisions, (b) authorizes and directs the Mortgagee on his behalf to take such action as may be necessary or appropriate to effectuate the subordination as provided in the Trust Indenture and (c) appoints the Mortgagee his attorney-in-fact for such purpose.]¹

Unless the certificate of authentication hereon has been executed by or on behalf of the Mortgagee by manual signature, this Equipment Note shall not be entitled to any benefit under the Trust Indenture or be valid or obligatory for any purpose.

THIS EQUIPMENT NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

* * *

1. To be inserted in case of the Series B Equipment Note.

IN WITNESS WHEREOF, the Owner has caused this Equipment Note to be executed in its corporate name by its officer thereunto duly authorized on the date hereof.

CONTINENTAL AIRLINES, INC.

By: _____

Name:

Title:

MORTGAGEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Equipment Notes referred to in the within-mentioned Trust Indenture.

WILMINGTON TRUST COMPANY, as
Mortgagee

By: _____

Name:

Title:

SECTION 2.02. Issuance and Terms of Equipment Notes

The Equipment Notes shall be dated the Closing Date, shall be issued in two separate series consisting of Series G and Series B in the principal amount of the related secured loan as set forth in Section 2.1 of the Note Purchase Agreement. On the Closing Date, a Series G Equipment Note and a Series B Equipment Note shall be issued to the Subordination Agent on behalf of the applicable Pass Through Trustee under the Pass Through Trust Agreement. The Equipment Notes shall be issued in registered form only. The Equipment Notes shall be issued in denominations of \$1,000 and integral multiples thereof, except that one Equipment Note of each Series may be in an amount that is not an integral multiple of \$1,000.

Each Equipment Note shall bear interest on the unpaid Original Amount thereof from time to time outstanding from the date thereof until paid in full at the rate per annum for each Interest Period equal to the Debt Rate for such Interest Period (calculated on the basis of a year of 360 days and actual days elapsed during the period for which such amount accrues). Accrued interest shall be payable in arrears on September 2, 2006, and on each December 2, March 2, June 2 and September 2 thereafter until maturity. Interest on the Equipment Notes shall be payable with respect to the first but not the last day of each Interest Period. The Original Amount of the Equipment Notes of each Series shall be paid in full on June 2, 2013. Notwithstanding the foregoing, the final payment made under each Equipment Note shall be in an amount sufficient to discharge in full the unpaid Original Amount and all accrued and unpaid interest on, and any other amounts due under, such Equipment Note. Each Equipment Note shall bear interest, payable on demand, at the Payment Due Rate (calculated on the basis of a year of 360 days and actual days elapsed during the period for which such amount accrues) on any part of the Original Amount, and, to the extent permitted by applicable Law, interest and any other amounts payable thereunder not paid when due for any period during which the same shall be overdue, in each case for the period the same is overdue. Amounts under any Equipment Note shall be overdue if not paid when due (whether at stated maturity, by acceleration or otherwise). Notwithstanding anything to the contrary contained herein, if any date on which a payment under any Equipment Note becomes due and payable is not a Business Day then such payment shall not be made on such scheduled date but shall be made on the next succeeding Business Day, and such extension of time shall be included in the computation of interest payable thereunder.

The Owner agrees to pay to the Mortgagee for distribution in accordance with Section 3.04 hereof: (a)(i) an amount equal to the fees payable to the Primary Liquidity Provider under Section 2.03 of the Primary Liquidity Facility and the related Fee Letter (as defined in the Intercreditor Agreement); (ii) the amount equal to interest on any Downgrade Advance (other than any Applied Downgrade Advance) payable under Section 3.07 of the Primary Liquidity Facility minus Investment Earnings from such Downgrade Advance; (iii) the amount equal to interest on any Non-Extension Advance (other than any Applied Non-Extension Advance) payable under Section 3.07 of the Primary Liquidity Facility minus Investment Earnings from such Non-Extension Advance; (iv) if any payment default shall have occurred and be continuing with respect to interest on any Series G Equipment Notes, the excess, if any, of (1) an amount equal to interest on any Unpaid Advance, Applied Downgrade Advance or Applied Non-Extension Advance payable under Section 3.07 of the Primary Liquidity Facility (or, if the

Policy Provider has made a payment equivalent to such an Advance, as would have been payable under Section 3.07 of the Primary Liquidity Facility had such Advance been made) over (2) the sum of Investment Earnings from any Final Advance plus any amount of interest at the Payment Due Rate actually payable (whether or not in fact paid) by Owner on the overdue scheduled interest on the Series G Equipment Notes; (v) any other amounts owed to the Primary Liquidity Provider by the Subordination Agent as borrower under the Primary Liquidity Facility other than amounts due as repayment of advances thereunder or as interest on such advances, except to the extent payable pursuant to clause (ii), (iii) or (iv) above; and (vi) an amount equal to the fees payable to the Policy Provider under Section 3.02 of the Policy Provider Agreement and all other compensation and reimbursement of expenses and disbursements (but excluding reimbursement of advances) payable to the Policy Provider under the Policy Provider Agreement (but excluding all such amounts actually paid by the Owner to the Policy Provider under the Policy Provider Agreement), (b) all compensation and reimbursement of expenses, disbursements and advances payable by Owner under the Pass Through Trust Agreements, and (c) all compensation and reimbursement of expenses and disbursements payable to the Subordination Agent under the Intercreditor Agreement except with respect to any income or franchise taxes incurred by the Subordination Agent in connection with the transactions contemplated by the Intercreditor Agreement. For purposes of this paragraph, the terms “Applied Downgrade Advance”, “Applied Non-Extension Advance”, “Downgrade Advance”, “Final Advance”, “Investment Earnings”, “Non-Extension Advance” and “Unpaid Advance” shall have the meanings specified in the Primary Liquidity Facility.

The Equipment Notes shall be executed on behalf of the Owner by one of its authorized officers. Equipment Notes bearing the signatures of individuals who were at any time the proper officers of the Owner shall bind the Owner, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Equipment Notes or did not hold such offices at the respective dates of such Equipment Notes. The Owner may from time to time execute and deliver Equipment Notes to the Mortgagee for authentication upon original issue and such Equipment Notes shall thereupon be authenticated and delivered by the Mortgagee upon the written request of the Owner signed by an authorized officer of the Owner. No Equipment Note shall be secured by or entitled to any benefit under this Trust Indenture or be valid or obligatory for any purposes, unless there appears on such Equipment Note a certificate of authentication in the form provided for herein executed by the Mortgagee by the manual signature of one of its authorized officers and such certificate upon any Equipment Notes be conclusive evidence, and the only evidence, that such Equipment Note has been duly authenticated and delivered hereunder.

The aggregate Original Amount of the Equipment Notes issued hereunder shall not exceed the sum of the amounts set forth in Section 2.1(a) and (b) of the Note Purchase Agreement.

SECTION 2.03. [Intentionally Omitted.]**SECTION 2.04. Method of Payment**

(a) Each payment of the Original Amount of, interest on, Break Amount, if any, Premium, if any, and other amounts due under each Equipment Note or hereunder will be payable in Dollars by wire transfer of immediately available funds not later than 11:30 AM, New York time, on the due date of payment to the Mortgagee at the Corporate Trust Office for distribution among the Note Holders in the manner provided herein. The Owner shall not have any responsibility for the distribution of such payment to any Note Holder. Notwithstanding the foregoing or any provision in any Equipment Note to the contrary, the Mortgagee will use reasonable efforts to pay or cause to be paid, if so directed in writing by any Note Holder (with a copy to the Owner), all amounts paid by the Owner hereunder and under such holder's Equipment Note or Equipment Notes to such holder or a nominee therefor (including all amounts distributed pursuant to Article III of this Trust Indenture) by transferring, or causing to be transferred, by wire transfer of immediately available funds in Dollars, prior to 2:00 p.m., New York City time, on the due date of payment, to an account maintained by such holder with a bank located in the continental United States the amount to be distributed to such holder, for credit to the account of such holder maintained at such bank. If the Mortgagee shall fail to make any such payment as provided in the immediately foregoing sentence after its receipt of funds at the place and prior to the time specified above, the Mortgagee, in its individual capacity and not as trustee, agrees to compensate such holders for loss of use of funds at Debt Rate until such payment is made and the Mortgagee shall be entitled to any interest earned on such funds until such payment is made. Any payment made hereunder shall be made without any presentment or surrender of any Equipment Note, except that, in the case of the final payment in respect of any Equipment Note, such Equipment Note shall be surrendered to the Mortgagee for cancellation promptly after such payment. Notwithstanding any other provision of this Trust Indenture to the contrary, the Mortgagee shall not be required to make, or cause to be made, wire transfers as aforesaid prior to the first Business Day on which it is practicable for the Mortgagee to do so in view of the time of day when the funds to be so transferred were received by it if such funds were received after 11:30 AM, New York time, at the place of payment. Prior to the due presentment for registration of transfer of any Equipment Note, the Owner and the Mortgagee shall deem and treat the Person in whose name any Equipment Note is registered on the Equipment Note Register as the absolute owner and holder of such Equipment Note for the purpose of receiving payment of all amounts payable with respect to such Equipment Note and for all other purposes, and none of the Owner or the Mortgagee shall be affected by any notice to the contrary. So long as any signatory to the Note Purchase Agreement or nominee thereof shall be a registered Note Holder, all payments to it shall be made to the account of such Note Holder specified in Schedule 1 thereto and otherwise in the manner provided in or pursuant to the Note Purchase Agreement unless it shall have specified some other account or manner of payment by notice to the Mortgagee consistent with this Section 2.04.

(b) The Mortgagee, as agent for the Owner, shall exclude and withhold at the appropriate rate from each payment of all or a portion of the Original Amount of, interest on, Break Amount, if any, Premium, if any, and other amounts due hereunder or under each Equipment Note (and such exclusion and withholding shall constitute payment in respect of such

Equipment Note) any and all United States withholding taxes applicable thereto as required by Law. The Mortgagee agrees to act as such withholding agent and, in connection therewith, whenever any present or future United States taxes or similar charges are required to be withheld with respect to any amounts payable hereunder or in respect of the Equipment Notes, to withhold such amounts and timely pay the same to the appropriate authority in the name of and on behalf of the Note Holders, that it will file any necessary United States withholding tax returns or statements when due, and that as promptly as possible after the payment thereof it will deliver to each Note Holder (with a copy to the Owner) appropriate receipts showing the payment thereof, together with such additional documentary evidence as any such Note Holder may reasonably request from time to time.

If a Note Holder which is a Non-U.S. Person has furnished to the Mortgagee a properly completed, accurate and currently effective U.S. Internal Revenue Service Form W-8BEN (or such successor form or forms as may be required by the United States Treasury Department) that is valid and in effect on the date on which the payment hereunder or under the Equipment Note(s) held by such holder is made and has not notified the Mortgagee of the withdrawal or inaccuracy of such form prior to the date of such payment (and the Mortgagee has no reason to believe that any information set forth in such form is inaccurate), the Mortgagee shall withhold only the amount, if any, required by Law (after taking into account any applicable exemptions properly claimed by the Note Holder) to be withheld from payments hereunder or under the Equipment Notes held by such holder in respect of United States federal income tax. If a Note Holder (x) which is a Non-U.S. Person has furnished to the Mortgagee a properly completed, accurate and currently effective U.S. Internal Revenue Service Form W-8ECI in duplicate (or such successor certificate, form or forms as may be required by the United States Treasury Department as necessary in order to properly avoid withholding of United States federal income tax), in the calendar year in which a payment is made (but prior to the making of any payment for such year) or either of the two preceding calendar years, and has not notified the Mortgagee of the withdrawal or inaccuracy of such certificate or form prior to the date of such payment (and the Mortgagee has no reason to believe that any information set forth in such form is inaccurate) or (y) which is a U.S. Person has furnished to the Mortgagee a properly completed, accurate and currently effective U.S. Internal Revenue Service Form W-9, if applicable, prior to a payment hereunder or under the Equipment Notes held by such holder, no amount shall be withheld from payments in respect of United States federal income tax. If any Note Holder has notified the Mortgagee that any of the foregoing forms or certificates is withdrawn or inaccurate, or if such holder has not filed a form claiming an exemption from United States withholding tax or if the Code or the regulations thereunder or the administrative interpretation thereof is at any time after the date hereof amended to require such withholding of United States federal income taxes from payments under the Equipment Notes held by such holder, the Mortgagee agrees to withhold from each payment due to the relevant Note Holder withholding taxes at the appropriate rate under Law and will, on a timely basis as more fully provided above, deposit such amounts with an authorized depository and make such returns, statements, receipts and other documentary evidence in connection therewith as required by Law.

Owner shall not have any liability for the failure of the Mortgagee to withhold taxes in the manner provided for herein or for any false, inaccurate or untrue evidence provided by any Note Holder hereunder.

SECTION 2.05. Application of Payments

In the case of each Equipment Note, each payment of all or a portion of the Original Amount, Break Amount, if any, Premium, if any, and interest due thereon shall be applied:

First: to the payment of Break Amount, if any, with respect to such Equipment Note and any other amount (other than as covered by any of the following clauses) due hereunder or under such Equipment Note;

Second: to the payment of accrued interest on such Equipment Note (as well as any interest on any overdue payment of all or a portion of the Original Amount, any overdue Premium, if any, and to the extent permitted by Law, any overdue interest and any other overdue amounts thereunder) to the date of such payment;

Third: to the payment of the Original Amount of such Equipment Note (or a portion thereof) then due thereunder;

Fourth: to the payment of Premium, if any, and any other amount due hereunder or under such Equipment Note; and

Fifth: the balance, if any, remaining thereafter, to the payment of the Original Amount of such Equipment Note remaining unpaid (provided that such Equipment Note shall not be subject to redemption except as provided in Sections 2.11 and 2.12 hereof).

SECTION 2.06. Termination of Interest in Collateral

No Note Holder nor any other Indenture Indemnitee shall, as such, have any further interest in, or other right with respect to, the Collateral when and if the Original Amount of, Break Amount, if any, Premium, if any, and interest on and other amounts due under all Equipment Notes held by such Note Holder and all other sums then due and payable to such Note Holder, such Indenture Indemnitee or the Mortgagee hereunder (including, without limitation, under the third paragraph of Section 2.02 hereof) and under the other Operative Agreements by the Owner (collectively, the "Secured Obligations") shall have been paid in full.

SECTION 2.07. Registration Transfer and Exchange of Equipment Notes

The Mortgagee shall keep a register (the "Equipment Note Register") in which the Mortgagee shall provide for the registration of Equipment Notes and the registration of transfers of Equipment Notes. No such transfer shall be given effect unless and until registration hereunder shall have occurred. The Equipment Note Register shall be kept at the Corporate Trust Office of the Mortgagee. The Mortgagee is hereby appointed "Equipment Note Registrar" for the purpose of registering Equipment Notes and transfers of Equipment Notes as herein provided. A holder of any Equipment Note intending to exchange such Equipment Note shall surrender such Equipment Note to the Mortgagee at the Corporate Trust Office, together with a written request from the registered holder thereof for the issuance of a new Equipment Note, specifying, in the case of a surrender for transfer, the name and address of the new holder or

holders. Upon surrender for registration of transfer of any Equipment Note, the Owner shall execute, and the Mortgagee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Equipment Notes of a like aggregate Original Amount and of the same series. At the option of the Note Holder, Equipment Notes may be exchanged for other Equipment Notes of any authorized denominations of a like aggregate Original Amount, upon surrender of the Equipment Notes to be exchanged to the Mortgagee at the Corporate Trust Office. Whenever any Equipment Notes are so surrendered for exchange, the Owner shall execute, and the Mortgagee shall authenticate and deliver, the Equipment Notes which the Note Holder making the exchange is entitled to receive. All Equipment Notes issued upon any registration of transfer or exchange of Equipment Notes (whether under this Section 2.07 or under Section 2.08 hereof or otherwise under this Trust Indenture) shall be the valid obligations of the Owner evidencing the same respective obligations, and entitled to the same security and benefits under this Trust Indenture, as the Equipment Notes surrendered upon such registration of transfer or exchange. Every Equipment Note presented or surrendered for registration of transfer, shall (if so required by the Mortgagee) be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Mortgagee duly executed by the Note Holder or such holder's attorney duly authorized in writing, and the Mortgagee shall require evidence satisfactory to it as to the compliance of any such transfer with the Securities Act, and the securities Laws of any applicable state. The Mortgagee shall make a notation on each new Equipment Note of the amount of all payments of any portion of the Original Amount previously made on the old Equipment Note or Equipment Notes with respect to which such new Equipment Note is issued and the date to which interest on such old Equipment Note or Equipment Notes has been paid. Interest shall be deemed to have been paid on such new Equipment Note to the date on which interest shall have been paid on such old Equipment Note, and all payments of any portion of the Original Amount marked on such new Equipment Note, as provided above, shall be deemed to have been made thereon. The Owner shall not be required to exchange any surrendered Equipment Notes as provided above during the ten-day period preceding the due date of any payment on such Equipment Note. The Owner shall in all cases deem the Person in whose name any Equipment Note shall have been issued and registered as the absolute owner and holder of such Equipment Note for the purpose of receiving payment of all amounts payable by the Owner with respect to such Equipment Note and for all purposes until a notice stating otherwise is received from the Mortgagee and such change is reflected on the Equipment Note Register. The Mortgagee will promptly notify the Owner of each registration of a transfer of an Equipment Note. Any such transferee of an Equipment Note, by its acceptance of an Equipment Note, agrees to the provisions of this Trust Indenture and the Note Purchase Agreement applicable to Note Holders, including Sections 6.3, 6.4 and 9.1 thereof and shall be deemed to have covenanted to the parties to the Note Purchase Agreement as to the matters covenanted by the original Note Holder in the Note Purchase Agreement. Subject to compliance by the Note Holder and its transferee (if any) of the requirements set forth in this Section 2.07, Mortgagee and Owner shall use all reasonable efforts to issue new Equipment Notes upon transfer or exchange within 10 Business Days of the date an Equipment Note is surrendered for transfer or exchange.

SECTION 2.08. Mutilated, Destroyed, Lost or Stolen Equipment Notes

If any Equipment Note shall become mutilated, destroyed, lost or stolen, the Owner shall, upon the written request of the holder of such Equipment Note, execute and the Mortgagee shall authenticate and deliver in replacement thereof a new Equipment Note, payable in the same Original Amount dated the same date. If the Equipment Note being replaced has become mutilated, such Equipment Note shall be surrendered to the Mortgagee and a photocopy thereof shall be furnished to the Owner. If the Equipment Note being replaced has been destroyed, lost or stolen, the holder of such Equipment Note shall furnish to the Owner and the Mortgagee such security or indemnity as may be required by them to save the Owner and the Mortgagee harmless and evidence satisfactory to the Owner and the Mortgagee of the destruction, loss or theft of such Equipment Note and of the ownership thereof. If a "qualified institutional buyer" of the type referred to in paragraph (a)(1)(i)(A), (B), (D) or (E) of Rule 144A under the Securities Act (a "QIB") is the holder of any such destroyed, lost or stolen Equipment Note, then the written indemnity of such QIB, signed by an authorized officer thereof, in favor of, delivered to and in form reasonably satisfactory to the Owner shall be accepted as satisfactory indemnity and security and no further indemnity or security shall be required as a condition to the execution and delivery of such new Equipment Note. Subject to compliance by the Note Holder with the requirements set forth in this Section 2.08, Mortgagee and Owner shall use all reasonable efforts to issue new Equipment Notes within 10 Business Days of the date of the written request therefor from the Note Holder.

SECTION 2.09. Payment of Expenses on Transfer; Cancellation

(a) No service charge shall be made to a Note Holder for any registration of transfer or exchange of Equipment Notes, but the Mortgagee, as Equipment Note Registrar, may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration of transfer or exchange of Equipment Notes.

(b) The Mortgagee shall cancel all Equipment Notes surrendered for replacement, redemption, transfer, exchange, payment or cancellation and shall destroy the canceled Equipment Notes.

SECTION 2.10. [Intentionally Omitted.]

SECTION 2.11. Optional Redemptions of Equipment Notes

The Equipment Notes of either Series may be redeemed in accordance with Section 2.12 below at any time in whole or (so long as no Payment Default has occurred and is continuing) in part by the Owner at its sole option (an "Optional Redemption") (except that no Equipment Note may be redeemed by the Owner prior to the third anniversary of the Issuance Date (other than in connection with a redemption to satisfy the Collateral Ratio or the Subordinated Collateral Ratio as provided in Section 3.1(a)(v) of the Collateral Maintenance Agreement, the Rotable Ratio as provided in Section 3.1(b)(iii) of the Collateral Maintenance Agreement or the fleet reduction covenant provided in Section 3.3 of the Collateral Maintenance Agreement)) at a redemption price equal to the sum of the Original Amount (or portion thereof)

subject to such Optional Redemption and accrued and unpaid interest on, and Premium, if any, and Break Amount, if any, with respect to, such Original Amount. Notwithstanding the foregoing, so long as the Series G Equipment Notes and the Policy Provider Obligations have not been paid in full, the Owner shall not make an Optional Redemption of any Series B Equipment Notes (i) if an Event of Default or failure by Owner to pay any amount of principal of or interest on any Equipment Note when due has occurred and is continuing as of the applicable redemption date or (ii) unless (x) the Owner shall have furnished to the Mortgagee (and, if the Policy Provider is then the Controlling Party, to the Policy Provider) within 60 days prior to the redemption date a certificate of an Officer certifying that, based upon the Pledged Spare Parts included in the Collateral determined as of a date within 10 days prior to the date of such certificate valued using the Appraised Value of such Pledged Spare Parts (but without requiring a new Independent Appraiser's Certificate), the Collateral Ratio does not exceed the Maximum Collateral Ratio (after giving effect to any scheduled redemption of Equipment Notes on such redemption date) or (y) the Series G Equipment Notes shall be redeemed in whole simultaneously with the Optional Redemption of the Series B Equipment Notes, provided that the Controlling Party may, in its sole discretion, waive compliance with the requirements of this sentence.

SECTION 2.12. Redemptions; Notice of Redemption

(a) No redemption of any Equipment Note may be made except to the extent and in the manner expressly permitted by this Trust Indenture. No purchase of any Equipment Note may be made by the Mortgagee.

(b) Notice of redemption with respect to the Equipment Notes shall be given by the Mortgagee by first-class mail, postage prepaid, mailed not less than 20 nor more than 60 days prior to the applicable redemption date, to each Note Holder of such Equipment Notes to be redeemed, at such Note Holder's address appearing in the Equipment Note Register; provided that such notice shall be revocable by written notice from the Owner to the Policy Provider and Mortgagee given not later than three Business Days prior to the redemption date. All notices of redemption shall state: (1) the redemption date, (2) the applicable basis for determining the redemption price, (3) that on the redemption date, the redemption price will become due and payable upon each such Equipment Note, and that, if any such Equipment Notes are then outstanding, interest on such Equipment Notes shall cease to accrue on and after such redemption date, and (4) the place or places where such Equipment Notes are to be surrendered for payment of the redemption price. The Mortgagee shall promptly provide a copy of any such notice to the Policy Provider.

(c) On or before the redemption date, the Owner (or any person on behalf of the Owner) shall, to the extent an amount equal to the redemption price for the Equipment Notes to be redeemed on the redemption date shall not then be held by the Mortgagee, deposit or cause to be deposited with the Mortgagee by 11:30 AM New York time on the redemption date in immediately available funds the redemption price of the Equipment Notes to be redeemed, together with all amounts required to be paid by Owner referred to in Clause "First" of Section 3.02.

(d) Notice of redemption having been given as aforesaid, the Equipment Notes to be redeemed shall, on the redemption date, become due and payable at the Corporate Trust Office of the Mortgagee or at any office or agency maintained for such purposes pursuant to Section 2.07, and from and after such redemption date (unless there shall be a default in the payment of the redemption price) any such Equipment Notes then outstanding shall cease to bear interest. Upon surrender of any such Equipment Note for redemption in accordance with said notice, such Equipment Note shall be redeemed at the redemption price. If any Equipment Note called for redemption shall not be so paid upon surrender thereof for redemption, the principal amount thereof shall, until paid, continue to bear interest from the applicable redemption date at the interest rate in effect for such Equipment Note as of such redemption date.

SECTION 2.13. Subordination

(a) The Owner and each Note Holder (by acceptance of its Equipment Notes of any Series), hereby agree that no payment or distribution shall be made on or in respect of the Secured Obligations owed to such Note Holder of such Series, including any payment or distribution of cash, property or securities after the commencement of a proceeding of the type referred to in Section 5.01(v), (vi) or (vii) hereof, except as expressly provided in Article III hereof.

(b) By the acceptance of its Series B Equipment Notes, each Note Holder of such Series agrees that in the event that such Note Holder, in its capacity as a Note Holder, shall receive any payment or distribution on any Secured Obligations in respect of such Series which it is not entitled to receive under this Section 2.13 or Article III hereof, it will hold any amount so received in trust for the Note Holders of the Series G Equipment Notes and will forthwith turn over such payment to the Mortgagee in the form received to be applied as provided in Article III hereof.

ARTICLE III

RECEIPT, DISTRIBUTION AND APPLICATION OF PAYMENTS

SECTION 3.01. Basic Distributions

Except as otherwise provided in Sections 3.02 and 3.03 hereof, each scheduled payment of principal or interest on the Equipment Notes received by the Mortgagee shall be promptly distributed in the following order of priority:

- (i) so much of such payment as shall be required to pay in full the aggregate amount of the payment or payments of the Original Amount and interest (as well as any interest on any overdue payment of all or any portion of the Original Amount and, to the extent permitted by Law, on any overdue interest) then due under all Series G Equipment Notes shall be distributed to the Note Holders of Series G ratably, without priority of one over the other, in the proportion that the amount of such payment or payments then due under each Series G Equipment Note, bears to the aggregate amount of the payments then due under all Series G Equipment Notes;

- (ii) after giving effect to paragraph (i) above, so much of such payment remaining as shall be required to pay in full the aggregate amount of the payment or payments of the Original Amount and interest (as well as any interest on any overdue payment of all or any portion of the Original Amount and, to the extent permitted by Law, on any overdue interest) then due under all Series B Equipment Notes shall be distributed to the Note Holders of Series B ratably, without priority of one over the other, in the proportion that the amount of such payment or payments then due under each Series B Equipment Note bears to the aggregate amount of the payments then due under all Series B Equipment Notes.

SECTION 3.02. Redemptions

Except as otherwise provided in Section 3.03 hereof, any payments received by the Mortgagee pursuant to an Optional Redemption of the Equipment Notes in accordance with Section 2.11 hereof shall be applied to redemption of the Equipment Notes by applying such funds in the following order of priority:

- First, (a) to reimburse the Mortgagee and the Note Holders for any reasonable costs or expenses incurred in connection with such redemption for which they are entitled to reimbursement, or indemnity by Owner, under the Operative Agreements and then (b) to pay any other Secured Obligations then due (except as provided in clause "Second" below) to the Mortgagee, the Note Holders and the other Indenture Indemnitees under this Trust Indenture, the Note Purchase Agreement or the Equipment Notes (other than amounts specified in clause Second below);
- Second, (i) so much of such payment as shall be required to pay in full the aggregate amount of the payment or payments of Original Amount and interest (as well as any interest on any overdue payment of all or any portion of the Original Amount and, to the extent permitted by Law, on any overdue interest), Break Amount, if any, and Premium, if any, then due under all Series G Equipment Notes shall be distributed to the Note Holders of Series G ratably, without priority of one over the other, in the proportion that the amount of such payment or payments then due under each Series G Equipment Note, bears to the aggregate amount of the payments then due under all Series G Equipment Notes;
- (ii) after giving effect to paragraph (i) above, so much of such payment remaining as shall be required to pay in full the aggregate amount of the payment or payments of Original Amount and interest (as well as any interest on any overdue payment of all or any portion of the Original Amount and, to the extent permitted by Law, on any overdue interest), Break Amount, if any, and Premium, if any, then due under all Series B Equipment Notes shall be distributed to the Note Holders of Series B ratably, without priority of one over the other, in the proportion that the amount of such payment or payments then due under each Series B Equipment Note bears to the aggregate amount of the payments then due under all Series B Equipment Notes;

Third, as provided in clause "Fourth" of Section 3.03 hereof.

SECTION 3.03. Payments After Event of Default

Except as otherwise provided in Section 3.04 hereof, all payments received and amounts held or realized by the Mortgagee (including any amounts realized by the Mortgagee from the exercise of any remedies pursuant to Article V hereof) after an Event of Default shall have occurred and be continuing and after the declaration specified in Section 5.02(b) hereof, as well as all payments or amounts then held by the Mortgagee as part of the Collateral, shall be promptly distributed by the Mortgagee in the following order of priority:

- First, so much of such payments or amounts as shall be required to (i) reimburse the Mortgagee or WTC for any tax (except to the extent resulting from a failure of the Mortgagee to withhold taxes pursuant to Section 2.04(b) hereof), expense or other loss (including, without limitation, all amounts to be expended at the expense of, or charged upon the rents, revenues, issues, products and profits of, the property included in the Collateral (all such property being herein called the "Mortgaged Property") pursuant to Section 5.03(b) hereof) incurred by the Mortgagee or WTC (to the extent not previously reimbursed), the expenses of any sale, or other proceeding, reasonable attorneys' fees and expenses, court costs, and any other expenditures incurred or expenditures or advances made by the Mortgagee, WTC or the Note Holders in the protection, exercise or enforcement of any right, power or remedy or any damages sustained by the Mortgagee, WTC or any Note Holder, liquidated or otherwise, upon such Event of Default shall be applied by the Mortgagee as between itself, WTC and the Note Holders in reimbursement of such expenses and any other expenses for which the Mortgagee, WTC or the Note Holders are entitled to reimbursement under any Operative Agreement and (ii) pay all Secured Obligations payable to the other Indenture Indemnitees hereunder and under the Note Purchase Agreement (other than amounts specified in clauses Second and Third below); and in the case the aggregate amount to be so distributed is insufficient to pay as aforesaid in clauses (i) and (ii), then ratably, without priority of one over the other, in proportion to the amounts owed each hereunder;
- Second, so much of such payments or amounts remaining as shall be required to reimburse the then existing or prior Note Holders for payments made pursuant to Section 6.03 hereof (to the extent not previously reimbursed) shall be distributed to such then existing or prior Note Holders ratably, without priority of one over the other, in accordance with the amount of the payment or payments made by each such then existing or prior Note Holder pursuant to said Section 6.03 hereof;
- Third, (i) so much of such payments or amounts remaining as shall be required to pay in full the aggregate unpaid Original Amount of all Series G Equipment Notes, and the accrued but unpaid interest and other amounts due thereon (other than Premium which shall not be due and payable), and Break Amount, if any, with respect to the Series G Equipment Notes and all other Secured Obligations in

respect of the Series G Equipment Notes (other than Premium) to the date of distribution, shall be distributed to the Note Holders of Series G, and in case the aggregate amount so to be distributed shall be insufficient to pay in full as aforesaid, then ratably, without priority of one over the other, in the proportion that the aggregate unpaid Original Amount of all Series G Equipment Notes held by each holder plus the accrued but unpaid interest and other amounts due hereunder or thereunder (other than Premium, if any) to the date of distribution, bears to the aggregate unpaid Original Amount of all Series G Equipment Notes held by all such holders plus the accrued but unpaid interest and other amounts due thereon (other than Premium) to the date of distribution;

- (ii) after giving effect to paragraph (i) above, so much of such payments or amounts remaining as shall be required to pay in full the aggregate unpaid Original Amount of all Series B Equipment Notes, and the accrued but unpaid interest and other amounts due thereon (other than Premium which shall not be due and payable), and Break Amount, if any, with respect to the Series B Equipment Notes, and all other Secured Obligations in respect of the Series B Equipment Notes (other than Premium) to the date of distribution, shall be distributed to the Note Holders of Series B, and in case the aggregate amount so to be distributed shall be insufficient to pay in full as aforesaid, then ratably, without priority of one over the other, in the proportion that the aggregate unpaid Original Amount of all Series B Equipment Notes held by each holder plus the accrued but unpaid interest and other amounts due hereunder or thereunder (other than Premium) to the date of distribution, bears to the aggregate unpaid Original Amount of all Series B Equipment Notes held by all such holders plus the accrued but unpaid interest and other amounts due thereon (other than Premium) to the date of distribution;

Fourth, the balance, if any, of such payments or amounts remaining thereafter shall be distributed to the Owner.

No Premium shall be due and payable on the Equipment Notes as a consequence of the acceleration of the Equipment Notes as a result of an Event of Default.

SECTION 3.04. Certain Payments

(a) Any payments received by the Mortgagee for which no provision as to the application thereof is made in this Trust Indenture and for which such provision is made in any other Operative Agreement shall be applied forthwith to the purpose for which such payment was made in accordance with the terms of such other Operative Agreement, as the case may be.

(b) Notwithstanding anything to the contrary contained in this Article III, the Mortgagee will distribute promptly upon receipt any indemnity payment received by it from the Owner in respect of the Mortgagee in its individual capacity, any Note Holder or any other Indenture Indemnitee, in each case whether or not pursuant to Section 8 of the Note

Purchase Agreement, directly to the Person entitled thereto. Any payment received by the Mortgagee under the third paragraph of Section 2.02 hereof shall be distributed to the Subordination Agent in its capacity as Note Holder to be distributed in accordance with the terms of the Intercreditor Agreement.

SECTION 3.05. Other Payments

Any payments received by the Mortgagee for which no provision as to the application thereof is made elsewhere in this Trust Indenture or in any other Operative Agreement shall be distributed by the Mortgagee to the extent received or realized at any time, in the order of priority specified in Section 3.01 hereof, and after payment in full of all amounts then due in accordance with Section 3.01 in the manner provided in clause "Fourth" of Section 3.03 hereof.

SECTION 3.06. Release of Cash Collateral

(a) Upon written request by the Owner to the Mortgagee after notice of redemption of Equipment Notes has been given to Note Holders pursuant to Section 2.12 of this Trust Indenture, the Mortgagee shall apply, to the extent specified in such written request, the Cash Collateral to pay amounts due with respect to the Equipment Notes to be redeemed on the applicable redemption date.

(b) If the Collateral Ratio is less than the Maximum Collateral Ratio, the Subordinated Collateral Ratio is less than the Maximum Subordinated Collateral Ratio and the Rotable Ratio is greater than the Minimum Rotable Ratio, in each case as most recently determined pursuant to Article 2 or Section 3.1 of the Collateral Maintenance Agreement, and the Mortgagee held any Cash Collateral as of the Valuation Date for such Collateral Ratio, Subordinated Collateral Ratio and Rotable Ratio (or subsequent date as of which such ratio was recalculated pursuant to Section 3.1 of the Collateral Maintenance Agreement), upon written request of the Owner and so long as no Event of Default or Special Default has occurred and is continuing the Mortgagee shall pay to the Owner an amount of the Cash Collateral such that the Collateral Ratio would not be greater than the Maximum Collateral Ratio, the Subordinated Collateral Ratio would not be greater than the Maximum Subordinated Collateral Ratio and the Rotable Ratio would not be less than the Minimum Rotable Ratio, giving effect to such payment (but otherwise using the information used as of such most recent determination date to determine such ratio).

SECTION 3.07. Securities Account

WTC agrees to act as an Eligible Institution under the Trust Indenture in accordance with the provisions of the Trust Indenture (in such capacity, the "Securities Intermediary") for the purpose of holding any Cash Collateral. Except in its capacity as Mortgagee, WTC waives any claim or lien against any Eligible Account it may have, by operation of law or otherwise, for any amount owed to it by Owner. The Securities Intermediary hereby agrees that, notwithstanding anything to the contrary in the Trust Indenture, (i) any amounts of Cash Collateral to be held by the Mortgagee and any investment earnings thereon or other Investment Securities will be credited to an Eligible Account (the "Securities Account") for

which it is a “securities intermediary” (as defined in Section 8-102(a)(14) of the NY UCC) and the Mortgagee is the “entitlement holder” (as defined in Section 8-102(a)(7) of the NY UCC) of the “securities entitlement” (as defined in Section 8-102(a)(17) of the NY UCC) with respect to each “financial asset” (as defined in Section 8-102(a)(9) of the NY UCC) credited to such Eligible Account, (ii) all such amounts, Investment Securities and all other property acquired with cash credited to the Securities Account will be credited to the Securities Account, (iii) all items of property (whether cash, investment property, Investment Securities, other investments, securities, instruments or other property) credited to the Securities Account will be treated as a “financial asset” under Article 8 of the NY UCC, (iv) its “securities intermediary’s jurisdiction” (as defined in Section 8-110(e) of the NY UCC) with respect to the Securities Account is the State of New York, and (v) all securities, instruments and other property in order or registered from and credited to the Securities Account shall be payable to or to the order of, or registered in the name of, the Securities Intermediary or shall be indorsed to the Securities Intermediary or in blank, and in no case whatsoever shall any financial asset credited to the Securities Account be registered in the name of the Owner, payable to or to the order of the Owner or specially indorsed to the Owner except to the extent the foregoing have been specially endorsed by the Owner to the Securities Intermediary or endorsed in blank. The Mortgagee agrees that it will hold (and will indicate clearly in its books and records that it holds) its “securities entitlement” to the “financial assets” credited to the Securities Account in trust for the benefit of the Note Holders and each of the Indenture Indemnitees as set forth in the Trust Indenture. The Owner acknowledges that, by reason of the Mortgagee being the “entitlement holder” in respect of the Securities Account as provided above, the Mortgagee shall have the sole right and discretion, subject only to the terms of the Trust Indenture, to give all “entitlement orders” (as defined in Section 8-102(a)(8) of the NY UCC) with respect to the Securities Account and any and all financial assets and other property credited thereto to the exclusion of the Owner; provided, however, in no event shall the consent of the Owner be required as a condition to WTC complying with any such entitlement order of the Mortgagee.

ARTICLE IV

COVENANTS

SECTION 4.01. Notice of Change of Location

The Owner will give Mortgagee timely written notice (but in any event within 30 days prior to the expiration of the period of time specified under applicable Law to prevent lapse of perfection) of any change in its location (as such term is used in Section 9-307 of the UCC) or legal name and will promptly take any action required by Section 4.06 hereof as a result of such relocation.

SECTION 4.02. Liens

The Owner will not directly or indirectly create, incur, assume or suffer to exist any Lien on or with respect to the Collateral, title to any of the foregoing or any interest of the Owner therein, except Permitted Liens. The Owner shall promptly, at its own expense, take such

action as may be necessary to duly discharge (by bonding or otherwise) any such Lien other than a Permitted Lien arising at any time.

SECTION 4.03. Maintenance

The Owner, at its own cost and expense:

(a) shall maintain, or cause to be maintained, at all times the Pledged Spare Parts in accordance with all applicable Laws issued by the FAA or any other Governmental Entity having jurisdiction over the Owner or any such Pledged Spare Parts, including making any modifications, alterations, replacements and additions necessary therefor, and shall utilize, or cause to be utilized, the same manner and standard of maintenance with respect to each model of Spare Part or Appliance included in the Pledged Spare Parts as is utilized for such model of Spare Part or Appliance owned by the Owner and not included in the Pledged Spare Parts;

(b) shall maintain, or cause to be maintained, all records, logs and other materials required by the FAA or under the Act to be maintained in respect of the Pledged Spare Parts and shall not modify its record retention procedures in respect of the Pledged Spare Parts if such modification would materially diminish the value of the Pledged Spare Parts, taken as a whole; and

(c) shall maintain, or cause to be maintained, the Pledged Spare Parts in good working order and condition and shall perform all maintenance thereon necessary for that purpose, excluding (i) Pledged Spare Parts that have become worn out or unfit for use and not reasonably repairable or become obsolete, (ii) Pledged Spare Parts that are not required for the Owner's normal operations and (iii) Expendables that have been consumed or used in the Owner's operations.

(d) shall maintain, or cause to be maintained, all Spare Parts Documents in respect of the Pledged Spare Parts in the English language.

SECTION 4.04. Use, Designated Location and Possession

(a) Subject to the terms of the Collateral Maintenance Agreement, the Owner shall have the right, at any time and from time to time at its own cost and expense, without any release from or consent by the Mortgagee, to deal with the Pledged Spare Parts in any manner consistent with the Owner's ordinary course of business, including without limitation any of the following:

(i) to incorporate in, install on, attach or make appurtenant to, or use in, any Aircraft, Engine or Qualified Spare Part leased to or owned by the Owner (whether or not subject to any Lien) any Pledged Spare Part, free from the Lien of this Trust Indenture;

(ii) to dismantle any Pledged Spare Part that has become worn out or obsolete or unfit for use, and to sell or dispose of any such Pledged

Spare Part or any salvage resulting from such dismantling, free from the Lien of this Trust Indenture; and

(iii) to transfer any or all of the Pledged Spare Parts located at one or more Designated Locations to one or more other Designated Locations or to one or more locations which are not Designated Locations.

(b) The Owner shall keep the Pledged Spare Parts at one or more of the Designated Locations, except as otherwise permitted under Sections 4.04(a) or 4.05 of this Trust Indenture or the Collateral Maintenance Agreement. If and whenever the Owner shall wish to add a location as a Designated Location, the Owner will furnish to the Mortgagee the following:

(i) a Trust Indenture Supplement duly executed by the Owner, identifying each location that is to become a Designated Location and specifically subjecting the Pledged Spare Parts at such location to the Lien of this Trust Indenture;

(ii) an opinion of counsel, dated the date of execution of said Trust Indenture Supplement, stating that said Trust Indenture Supplement has been duly filed for recording in accordance with the provisions of the Act, and either: (a) no other filing or recording is required in any other place within the United States in order to perfect the Lien of this Trust Indenture on the Qualified Spare Parts held at the Designated Locations specified in such Trust Indenture Supplement under the laws of the United States, or (b) if any such other filing or recording shall be required that said filing or recording has been accomplished in such other manner and places, which shall be specified in such opinion of counsel, as are necessary to perfect the Lien of this Trust Indenture; and

(iii) An Officer's Certificate stating that in the opinion of the officer executing such Officer's Certificate, all conditions precedent provided for in this Trust Indenture relating to the subjection of such property to the Lien of this Trust Indenture have been complied with.

(c) Without the prior written consent of the Mortgagee, the Owner will not sell, lease or otherwise in any manner deliver, transfer or relinquish possession of any Pledged Spare Part to anyone other than the grant of the security interest to the Mortgagee pursuant to this Trust Indenture, except as permitted by the provisions of Section 3.2 of the Collateral Maintenance Agreement and Sections 4.04 and 4.05 of this Trust Indenture and except that the Owner shall have the right, in the ordinary course of business, (i) to transfer possession of any Pledged Spare Part to the manufacturer thereof or any other organization for testing, overhaul, repairs, maintenance, alterations or modifications or to any Person for the purpose of transport to any of the foregoing or (ii) to subject any Pledged Spare Part to a pooling, exchange, borrowing or maintenance servicing agreement or arrangement customary in the airline industry and entered into by the Owner in the ordinary course of its business; provided, however, that if the Owner's title to any such Pledged Spare Part shall be divested under any such agreement or

arrangement, such divestiture shall be deemed to be a Sale with respect to such Pledged Spare Part subject to the provisions of Section 3.2 of the Collateral Maintenance Agreement.

(d) So long as no Event of Default shall have occurred and be continuing, the Owner may enter into a lease with respect to any Pledged Spare Part to any U.S. Air Carrier that is not then subject to any bankruptcy, insolvency, liquidation, reorganization, dissolution or similar proceeding and shall not have substantially all of its property in the possession of any liquidator, trustee, receiver or similar person (a "Permitted Lessee"). In the case of any such lease, the Owner will include in such lease appropriate provisions which (t) make such lease expressly subject and subordinate to all of the terms of this Trust Indenture, including the rights of the Mortgagee to repossess such Pledged Spare Part and avoid such lease in the exercise of its rights to repossession of the Pledged Spare Parts under this Trust Indenture, and the Owner shall remain primarily liable for the performance and observance of all of the terms of this Trust Indenture and all the terms and conditions of this Trust Indenture and the other Operative Agreements shall remain in effect, in each case to the same extent as if such lease or transfer had not occurred; (u) require the Permitted Lessee to comply with the terms of Section 4.09; and (v) require that the Pledged Spare Parts subject thereto be used in accordance with the limitations applicable to the Owner's use, possession and location of such Pledged Spare Parts provided in this Trust Indenture (including, without limitation, that such Pledged Spare Parts be kept at one or more Designated Locations), it being understood that such Permitted Lessee shall be entitled to incorporate in, install on, attach or make appurtenant to, or use in, any Aircraft, Engine or Appliance leased to, or owned by, such Permitted Lessee (whether or not subject to any Lien) any Pledged Spare Part subject thereto, free from the Lien of this Trust Indenture. No lease permitted under this Section shall be entered into unless (w) the Owner shall provide written notice to the Mortgagee and a copy of any such lease (promptly after entering into any such lease); (x) the Owner shall furnish to the Mortgagee evidence reasonably satisfactory to the Mortgagee that the insurance required by Section 4.09(a) remains in effect; (y) all necessary documents shall have been duly filed, registered or recorded in such public offices as may be required fully to preserve the first priority security interest (subject to Permitted Liens) of Mortgagee in the Pledged Spare Parts; and (z) the Owner shall reimburse the Mortgagee for all of its reasonable out-of-pocket fees and expenses, including, without limitation, reasonable fees and disbursements of counsel, incurred by the Mortgagee in connection with any such lease. Except as otherwise provided herein and without in any way relieving the Owner from its primary obligation for the performance of its obligations under this Trust Indenture and the Collateral Maintenance Agreement, the Owner may in its sole discretion permit a Permitted Lessee to exercise any or all rights which the Owner would be entitled to exercise under Article IV hereof and Section 3.2 of the Collateral Maintenance Agreement, and may cause a Permitted Lessee to perform any or all of the Owner's obligations under Article IV hereof and Section 3.2 of the Collateral Maintenance Agreement, and the Mortgagee agrees to accept actual and full performance thereof by a Permitted Lessee in lieu of performance by the Owner. No pooling agreement, permitted lease or other relinquishment of possession of any Pledged Spare Part shall in any way discharge or diminish any of the Owner's obligations under this Trust Indenture or constitute a waiver by the Mortgagee or the Policy Provider of any rights or remedies hereunder.

SECTION 4.05. Permitted Sale or Dispositions

- (a) So long as no Event of Default has occurred and is continuing, the Owner may sell, transfer or dispose of Pledged Spare Parts free from the Lien of the Trust Indenture, subject to the provisions of the Collateral Maintenance Agreement.
- (b) No purchaser in good faith of property purporting to be transferred pursuant to Section 4.04(a)(ii) or 4.05(a) shall be bound to ascertain or inquire into the authority of the Owner to make any such transfer, free and clear of the Lien of this Trust Indenture. Any instrument of transfer executed by the Owner under Section 4.04(a)(ii) or 4.05 shall be sufficient for the purposes of this Trust Indenture and shall constitute a good and valid release, assignment and transfer of the property therein described free from the Lien of this Trust Indenture.

SECTION 4.06. Certain Assurances

- (a) The Owner shall duly execute, acknowledge and deliver, or shall cause to be executed, acknowledged and delivered, all such further agreements, instruments, certificates or documents, and shall do and cause to be done such further acts and things, in any case, as Mortgagee shall reasonably request for accomplishing the purposes of this Trust Indenture, provided that any instrument or other document so executed by the Owner will not expand any obligations or limit any rights of the Owner in respect of the transactions contemplated by any Operative Agreement.
- (b) The Owner shall promptly take such action with respect to the recording, filing, re-recording and re-filing of this Trust Indenture and any amendments or supplements hereto, as shall be necessary to continue the perfection and priority of the Lien created by this Trust Indenture.
- (c) The Owner, at its sole cost and expense, will cause the FAA Filed Documents, the Financing Statements and all continuation statements (and any amendments necessitated by any consolidation or merger of the Owner, any conveyance, transfer or lease of all or substantially all of the assets of the Owner, or any change of the Owner's location) in respect of the Financing Statements to be prepared and, subject only to the execution and delivery thereof by Mortgagee, duly and timely filed and recorded, or filed for recordation, to the extent permitted under the Act (with respect to the FAA Filed Documents) or the UCC or similar law of any other applicable jurisdiction (with respect to such other documents).

SECTION 4.07. Merger of Owner

- (a) In General. Owner shall not consolidate with or merge into any other person under circumstances in which Owner is not the surviving corporation, or convey, transfer or lease in one or more transactions all or substantially all of its assets to any other person, unless:
- (i) such person is organized, existing and in good standing under the Laws of the United States, any State of the United States or the District of Columbia and, upon consummation of such transaction, such person will be a U.S. Air Carrier;

(ii) such person executes and delivers to Mortgagee and the Policy Provider a duly authorized, legal, valid, binding and enforceable agreement, reasonably satisfactory in form and substance to Mortgagee and the Policy Provider, containing an effective assumption by such person of the due and punctual performance and observance of each covenant, agreement and condition in the Operative Agreements and the Policy Provider Documents to which the Owner is a party to be performed or observed by Owner;

(iii) such person makes such filings and recordings with the FAA as shall be necessary to evidence such consolidation or merger;

(iv) immediately after giving effect to such consolidation or merger no Event of Default shall have occurred and be continuing; and

(v) the Owner shall have delivered to the Mortgagee an officers' certificate and an opinion (or opinions) of counsel, each stating that (a) such consolidation, merger, conveyance, transfer or lease and such supplemental indenture comply with the terms of this Trust Indenture and (ii) this Trust Indenture, each other Operative Agreement and the Equipment Notes constitute the valid and legally binding obligations of such person.

(b) Effect of Merger. Upon any such consolidation or merger of Owner with or into, or the conveyance, transfer or lease by Owner of all or substantially all of its assets to, any Person in accordance with this Section 4.07, such Person will succeed to, and be substituted for, and may exercise every right and power of, Owner under the Operative Agreements with the same effect as if such person had been named as "Owner" therein. No such consolidation or merger, or conveyance, transfer or lease, shall have the effect of releasing Owner or such Person from any of the obligations, liabilities, covenants or undertakings of Owner under this Trust Indenture, the other Operative Agreements and the Policy Provider Documents.

SECTION 4.08. Indenture Obligations

The Owner agrees to perform and observe all of the agreements, covenants and obligations of the Owner set forth in this Trust Indenture, the Equipment Notes and the other Operative Agreements (it being understood that this Section 4.08 shall not restrict the ability to amend or supplement, or waive compliance with, any Operative Agreement in accordance with its terms).

SECTION 4.09. Insurance

(a) The Owner's Obligation to Insure.

(i) Obligation to Insure. The Owner shall comply with, or cause to be complied with, each of the provisions of Annex B, which provisions are hereby incorporated by this reference as if set forth in full herein.

(ii) Insurance for Own Account. Nothing in this Section 4.09(a) shall limit or prohibit (a) the Owner from maintaining the policies of insurance required under Annex B with higher limits than those specified in Annex B, or (b) the Mortgagee or any Additional Insured from obtaining insurance for its own account (and any proceeds payable under such separate insurance shall be payable as provided in the policy relating thereto); provided, however, that no insurance may be obtained or maintained that would limit or otherwise adversely affect the coverage of any insurance required to be obtained or maintained by the Owner pursuant to this Section 4.09(a) and Annex B.

(b) Application of Insurance Proceeds.

(i) As between the Owner and the Mortgagee, all insurance proceeds up to the Debt Balance paid under policies required to be maintained by the Owner pursuant to this Trust Indenture as a result of the occurrence of an Event of Loss with respect to any Pledged Spare Parts involving proceeds in excess of the Threshold Amount will be paid to the Mortgagee. At any time or from time to time after the receipt by the Mortgagee of insurance proceeds, upon submission to the Mortgagee of an Officer's Certificate stating that the Owner has after the occurrence of such Event of Loss purchased additional Qualified Spare Parts that are located at or have been shipped by vendor(s) to a Designated Location, and stating the aggregate purchase price for such additional Qualified Spare Parts, the Mortgagee shall pay the amount of such purchase price, up to the amount of such insurance proceeds not previously disbursed pursuant to this sentence or otherwise distributed under this Trust Indenture, to the Owner or its designee.

(ii) All proceeds of insurance required to be maintained by the Owner in accordance with this Trust Indenture in respect of any property damage or loss involving proceeds of the Threshold Amount or less or not constituting an Event of Loss with respect to any Pledged Spare Parts and insurance proceeds in excess of the Debt Balance shall be paid over to, and retained by, the Owner.

(iii) If either the Mortgagee or the Owner receives a payment of such insurance proceeds in excess of its entitlement pursuant to this Trust Indenture, it shall promptly pay such excess to the other.

(c) Application of Payments During Existence of a Special Default or Event of Default. Any amount described in this Section 4.09 that is payable or creditable to, or retainable by, the Owner shall not be paid or credited to, or retained by, the Owner if at the time such payment, credit or retention would otherwise occur a Special Default or Event of Default shall have occurred and be continuing, but shall instead be held by or paid over to the Mortgagee as security for the obligations of the Owner under this Trust Indenture and shall be invested pursuant to Section 6.06 hereof. At such time as there shall not be continuing any Special Default or Event of Default, such amount and any gains thereon shall be paid to the Owner to the extent not previously applied in accordance with this Trust Indenture.

ARTICLE V

EVENTS OF DEFAULT; REMEDIES OF MORTGAGEE

SECTION 5.01. Event of Default

“Event of Default” means any of the following events (whatever the reason for such Event of Default and whether such event shall be voluntary or involuntary or come about or be effected by operation of Law or pursuant to or in compliance with any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(i) the failure of the Owner to pay (x) principal of, interest on, Break Amount, if any, or Premium, if any, under any Equipment Note when due (including when due in connection with an Optional Redemption), and such failure shall continue unremedied for a period of 10 Business Days, or (y) any other amount payable by it to the Note Holders under this Trust Indenture or the Note Purchase Agreement when due, and such failure shall continue for a period in excess of 10 Business Days after Owner has received written notice from Mortgagee or holder of an Equipment Note of the failure to make such payment when due;

(ii) Owner shall fail (x) to comply with Section 3.1 of the Collateral Maintenance Agreement or (y) to redeem Series G Equipment Notes when required pursuant to Section 3.3 of the Collateral Maintenance Agreement;

(iii) Owner shall fail to observe or perform (or caused to be observed and performed) in any material respect any other covenant, agreement or obligation set forth herein, in the Collateral Maintenance Agreement or in any other Operative Agreement to which Owner is a party and such failure shall continue unremedied for a period of 30 days from and after the date of written notice thereof to Owner from Mortgagee, unless such failure is capable of being corrected and Owner shall be diligently proceeding to correct such failure, in which case there shall be no Event of Default unless and until such failure shall continue unremedied for a period of 270 days after receipt of such notice;

(iv) any representation or warranty made by Owner herein, in the Note Purchase Agreement, in the Collateral Maintenance Agreement or in any other Operative Agreement to which Owner is a party (a) shall prove to have been untrue or inaccurate in any material respect as of the date made, (b) such untrue or inaccurate representation or warranty is material at the time in question, (c) and the same shall remain uncured (to the extent of the adverse impact of such incorrectness on the interest of the Mortgagee) for a period in excess of 30 days from and after the date of written notice thereof from Mortgagee to Owner;

(v) the Owner shall consent to the appointment of or taking possession by a receiver, trustee or liquidator of itself or of a substantial part of its property, or the Owner shall admit in writing its inability to pay its debts generally as they come due or shall make a general assignment for the benefit of its creditors, or the Owner shall file a voluntary petition in bankruptcy or a voluntary petition or an answer seeking reorganization, liquidation or other relief under any bankruptcy laws or insolvency laws (as in effect at such time), or an answer admitting the material allegations of a petition filed against it in any such case, or the

Owner shall seek relief by voluntary petition, answer or consent, under the provisions of any other bankruptcy or similar law providing for the reorganization or winding-up of corporations (as in effect at such time), or the Owner shall seek an agreement, composition, extension or adjustment with its creditors under such laws or the Owner's board of directors shall adopt a resolution authorizing corporate action in furtherance of any of the foregoing;

(vi) an order, judgment or decree shall be entered by any court of competent jurisdiction appointing, without the consent of the Owner, a receiver, trustee or liquidator of the Owner or of any substantial part of its property, or any substantial part of the property of the Owner shall be sequestered, or granting any other relief in respect of the Owner as a debtor under any bankruptcy laws or other insolvency laws (as in effect at such time), and any such order, judgment, decree, or decree of appointment or sequestration shall remain in force undismissed, unstayed or unvacated for a period of 90 days after the date of entry thereof;

(vii) a petition against the Owner in a proceeding under any bankruptcy laws or other insolvency laws (as in effect at such time) is filed and not withdrawn or dismissed within 90 days thereafter, or if, under the provisions of any law providing for reorganization or winding-up of corporations which may apply to the Owner, any court of competent jurisdiction shall assume jurisdiction, custody or control of the Owner of any substantial part of its property and such jurisdiction, custody or control shall remain in force unrelinquished, unstayed or unterminated for a period of 90 days; or

(viii) the Owner shall fail to carry and maintain, or cause to be carried and maintained, insurance on and in respect of the Pledged Spare Parts in accordance with the provisions of Section 4.09 and such failure shall continue unremedied for a period of 30 days;

SECTION 5.02. Remedies

(a) If an Event of Default shall have occurred and be continuing and so long as the same shall continue unremedied, then and in every such case the Mortgagee may exercise any or all of the rights and powers and pursue any and all of the remedies pursuant to this Article V and shall have and may exercise all of the rights and remedies of a secured party under the Uniform Commercial Code and may take possession of all or any part of the properties covered or intended to be covered by the Lien created hereby or pursuant hereto and may exclude the Owner and all persons claiming under it wholly or partly therefrom and may sell the Collateral as a whole or from time to time in part; provided, that the Mortgagee shall give the Owner twenty days' prior written notice of its intention to sell any Collateral. Without limiting any of the foregoing, it is understood and agreed that the Mortgagee may exercise any right of sale, lease or other disposition of any Collateral available to it, even though it shall not have taken possession of such Collateral and shall not have possession thereof at the time of such sale, lease or other disposition.

(b) If an Event of Default shall have occurred and be continuing, then and in every such case the Mortgagee may (and shall, upon receipt of a written demand therefor from a Majority in Interest of Note Holders), at any time, by delivery of written notice or notices

to the Owner, declare all the Equipment Notes to be due and payable, whereupon the unpaid Original Amount of all Equipment Notes then outstanding, together with accrued but unpaid interest thereon, Break Amount, if any, with respect thereto, and other amounts due thereunder or otherwise payable hereunder, shall immediately become due and payable without presentment, demand, protest or notice, all of which are hereby waived; provided that if an Event of Default referred to in clause (v), (vi) or (vii) of Section 5.01 hereof shall have occurred, then and in every such case the unpaid Original Amount then outstanding, together with accrued but unpaid interest, Break Amount, if any, with respect thereto, and all other amounts due hereunder and under the Equipment Notes shall immediately and without further act become due and payable without presentment, demand, protest or notice, all of which are hereby waived.

This Section 5.02(b), however, is subject to the condition that, if at any time after all or any portion of the Original Amount of the Equipment Notes shall have become so due and payable, and before any judgment or decree for the payment of the money so due, or any thereof, shall be entered, all overdue payments of interest upon the Equipment Notes and all other amounts payable hereunder or under the Equipment Notes (except the portion of the Original Amount of the Equipment Notes which by such declaration shall have become payable) shall have been duly paid, and every other Default and Event of Default with respect to any covenant or provision of this Trust Indenture shall have been cured, then and in every such case a Majority in Interest of Note Holders may (but shall not be obligated to), by written instrument filed with the Mortgagee, rescind and annul the Mortgagee's declaration (or such automatic acceleration) and its consequences; but no such rescission or annulment shall extend to or affect any subsequent Default or Event of Default or impair any right consequent thereon.

(c) The Note Holders shall be entitled, at any sale pursuant to this Section 5.02, to credit against any purchase price bid at such sale by such holder all or any part of the unpaid obligations owing to such Note Holder and secured by the Lien of this Trust Indenture (only to the extent that such purchase price would have been paid to such Note Holder pursuant to Article III hereof if such purchase price were paid in cash and the foregoing provisions of this subsection (c) were not given effect).

(d) In the event of any sale of the Collateral, or any part thereof, pursuant to any judgment or decree of any court or otherwise in connection with the enforcement of any of the terms of this Trust Indenture, the unpaid Original Amount of all Equipment Notes then outstanding, together with accrued interest thereon, Break Amount, if any, and other amounts due thereunder, shall immediately become due and payable without presentment, demand, protest or notice, all of which are hereby waived.

(e) Notwithstanding anything contained herein, so long as the Pass Through Trustee under any Pass Through Trust Agreement (or its designee) is a Note Holder, the Mortgagee will not be authorized or empowered to acquire title to any Collateral or take any action with respect to any Collateral so acquired by it if such acquisition or action would cause any Trust to fail to qualify as a "grantor trust" for federal income tax purposes.

SECTION 5.03. Return of Collateral, Etc.

(a) If an Event of Default shall have occurred and be continuing, at the request of the Mortgagee, the Owner shall assemble the Collateral and make it available to the Mortgagee at the Designated Locations and shall promptly execute and deliver to the Mortgagee such instruments of title and other documents as the Mortgagee may deem necessary or advisable to enable the Mortgagee or an agent or representative designated by the Mortgagee, at such time or times and place or places as the Mortgagee may specify, to obtain possession of all or any part of the Collateral to which the Mortgagee shall at the time be entitled hereunder. If the Owner shall for any reason fail to execute and deliver such instruments and documents after such request by the Mortgagee, the Mortgagee may (i) obtain a judgment conferring on the Mortgagee the right to immediate possession and requiring the Owner to execute and deliver such instruments and documents to the Mortgagee, to the entry of which judgment the Owner hereby specifically consents to the fullest extent permitted by Law, and (ii) pursue all or part of such Collateral wherever it may be found and may enter any of the premises of Owner wherever such Collateral may be or are supposed to be and search for such Collateral and take possession of and remove such Collateral. All expenses of obtaining such judgment or of pursuing, searching for and taking such property shall, until paid, be secured by the Lien of this Trust Indenture.

(b) Upon every such taking of possession, the Mortgagee may, from time to time, at the expense of the Collateral, make all such expenditures for maintenance, use, operation, storage, insurance, leasing, control, management, disposition, modifications or alterations to and of the Collateral, as it may deem proper. In each such case, the Mortgagee shall have the right to maintain, use, operate, store, insure, lease, control, manage, dispose of, modify or alter the Collateral and to exercise all rights and powers of the Owner relating to the Collateral, as the Mortgagee shall deem best, including the right to enter into any and all such agreements with respect to the maintenance, use, operation, storage, insurance, leasing, control, management, disposition, modification or alteration of the Collateral or any part thereof as the Mortgagee may determine, and the Mortgagee shall be entitled to collect and receive directly all rents, revenues and other proceeds of the Collateral and every part thereof, without prejudice, however, to the right of the Mortgagee under any provision of this Trust Indenture to collect and receive all cash held by, or required to be deposited with, the Mortgagee hereunder. Such rents, revenues and other proceeds shall be applied to pay the expenses of the maintenance, use, operation, storage, insurance, leasing, control, management, disposition, improvement, modification or alteration of the Collateral and of conducting the business thereof, and to make all payments which the Mortgagee may be required or may elect to make, if any, for taxes, assessments, insurance or other proper charges upon the Collateral or any part thereof (including the employment of engineers and accountants to examine, inspect and make reports upon the properties and books and records of the Owner), and all other payments which the Mortgagee may be required or authorized to make under any provision of this Trust Indenture, as well as just and reasonable compensation for the services of the Mortgagee, and of all persons properly engaged and employed by the Mortgagee with respect hereto.

SECTION 5.04. Remedies Cumulative

Each and every right, power and remedy given to the Mortgagee specifically or otherwise in this Trust Indenture shall be cumulative and shall be in addition to every other right, power and remedy herein specifically given or now or hereafter existing at Law, in equity or by statute, and each and every right, power and remedy whether specifically herein given or otherwise existing may be exercised from time to time and as often and in such order as may be deemed expedient by the Mortgagee, and the exercise or the beginning of the exercise of any power or remedy shall not be construed to be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy. No delay or omission by the Mortgagee in the exercise of any right, remedy or power or in the pursuance of any remedy shall impair any such right, power or remedy or be construed to be a waiver of any default on the part of the Owner or to be an acquiescence therein.

SECTION 5.05. Discontinuance of Proceedings

In case the Mortgagee shall have instituted any proceeding to enforce any right, power or remedy under this Trust Indenture by foreclosure, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Mortgagee, then and in every such case the Owner and the Mortgagee shall, subject to any determination in such proceedings, be restored to their former positions and rights hereunder with respect to the Collateral, and all rights, remedies and powers of the Owner or the Mortgagee shall continue as if no such proceedings had been instituted.

SECTION 5.06. Waiver of Past Defaults

Upon written instruction from a Majority in Interest of Note Holders, the Mortgagee shall waive any past Default hereunder and its consequences and upon any such waiver such Default shall cease to exist and any Event of Default arising therefrom shall be deemed to have been cured for every purpose of this Trust Indenture, but no such waiver shall extend to any subsequent or other Default or impair any right consequent thereon; provided, that in the absence of written instructions from all the Note Holders, the Mortgagee shall not waive any Default (i) in the payment of all or any portion of the Original Amount, Premium, if any, Break Amount, if any, and interest and other amounts due under any Equipment Note then outstanding, or (ii) in respect of a covenant or provision hereof which, under Article X hereof, cannot be modified or amended without the consent of each Note Holder.

SECTION 5.07. Appointment of Receiver

The Mortgagee shall, as a matter of right, be entitled to the appointment of a receiver (who may be the Mortgagee or any successor or nominee thereof) for all or any part of the Collateral, whether such receivership be incidental to a proposed sale of the Collateral or the taking of possession thereof or otherwise, and the Owner hereby consents to the appointment of such a receiver and will not oppose any such appointment. Any receiver appointed for all or any part of the Collateral shall be entitled to exercise all the rights and powers of the Mortgagee with respect to the Collateral.

SECTION 5.08. Mortgagee Authorized to Execute Bills of Sale, Etc.

The Owner irrevocably appoints, while an Event of Default has occurred and is continuing, the Mortgagee the true and lawful attorney-in-fact of the Owner (which appointment is coupled with an interest) in its name and stead and on its behalf, for the purpose of effectuating any sale, assignment, transfer or delivery for the enforcement of the Lien of this Trust Indenture, whether pursuant to foreclosure or power of sale, assignments and other instruments as may be necessary or appropriate or entering into any agreement described in Section 5.03(b), with full power of substitution, the Owner hereby ratifying and confirming all that such attorney or any substitute shall do by virtue hereof in accordance with applicable law. Nevertheless, if so requested by the Mortgagee or any purchaser, the Owner shall ratify and confirm any such sale, assignment, transfer or delivery, by executing and delivering to the Mortgagee or such purchaser all bills of sale, assignments, releases and other proper instruments to effect such ratification and confirmation as may be designated in any such request.

SECTION 5.09. Rights of Note Holders to Receive Payment

Notwithstanding any other provision of this Trust Indenture, the right of any Note Holder to receive payment of principal of, and premium, if any, and interest on an Equipment Note on or after the respective due dates expressed in such Equipment Note, or to bring suit for the enforcement of any such payment on or after such respective dates in accordance with the terms hereof, shall not be impaired or affected without the consent of such Note Holder.

ARTICLE VI

DUTIES OF THE MORTGAGEE

SECTION 6.01. Notice of Event of Default

If the Mortgagee shall have Actual Knowledge of an Event of Default or of a Default arising from a failure to pay any installment of principal and interest on any Equipment Note, the Mortgagee shall give prompt written notice thereof to the Policy Provider and each Note Holder. Subject to the terms of Sections 5.06, 6.02 and 6.03 hereof, the Mortgagee shall take such action, or refrain from taking such action, with respect to such Event of Default or Default (including with respect to the exercise of any rights or remedies hereunder) as the Mortgagee shall be instructed in writing by a Majority in Interest of Note Holders. Subject to the provisions of Section 6.03, if the Mortgagee shall not have received instructions as above provided within 20 days after mailing notice of such Event of Default to the Note Holders, the Mortgagee may, subject to instructions thereafter received pursuant to the preceding provisions of this Section 6.01, take such action, or refrain from taking such action, but shall be under no duty to take or refrain from taking any action, with respect to such Event of Default or Default as it shall determine advisable in the best interests of the Note Holders; provided, however, that the Mortgagee may not sell any Pledged Spare Parts without the consent of a Majority in Interest of Note Holders. For all purposes of this Trust Indenture, in the absence of Actual Knowledge on the part of the Mortgagee, the Mortgagee shall not be deemed to have knowledge of a Default or an Event of Default (except, the failure of Owner to pay any installment of principal or interest

within one Business Day after the same shall become due, which failure shall constitute knowledge of a Default) unless notified in writing by the Owner or one or more Note Holders.

SECTION 6.02. Action Upon Instructions; Certain Rights and Limitations

Subject to the terms of Sections 5.02(a), 5.06, 6.01 and 6.03 hereof, upon the written instructions at any time and from time to time of a Majority in Interest of Note Holders, the Mortgagee shall, subject to the terms of this Section 6.02, take such of the following actions as may be specified in such instructions: (i) give such notice or direction or exercise such right, remedy or power hereunder or under any other Operative Agreement as shall be specified in such instructions and (ii) give such notice or direction or exercise such right, remedy or power hereunder or under any other Operative Agreement with respect to any part of the Collateral as shall be specified in such instructions; it being understood that without the written instructions of a Majority in Interest of Note Holders, the Mortgagee shall not, except as provided in Section 6.01, approve any such matter as satisfactory to the Mortgagee.

The Mortgagee will execute and the Owner will file such continuation statements with respect to financing statements relating to the security interest created hereunder in the Collateral as may be specified from time to time in written instructions of a Majority in Interest of Note Holders (which instructions shall be accompanied by the form of such continuation statement so to be filed). The Mortgagee will furnish to the Policy Provider and each Note Holder, promptly upon receipt thereof, duplicates or copies of all reports, notices, requests, demands, certificates and other instruments furnished to the Mortgagee hereunder.

SECTION 6.03. Indemnification

The Mortgagee shall not be required to take any action or refrain from taking any action under Section 6.01 (other than the first sentence thereof), 6.02 or Article V hereof unless the Mortgagee shall have been indemnified to its reasonable satisfaction against any liability, cost or expense (including counsel fees) which may be incurred in connection therewith pursuant to a written agreement with one or more Note Holders. The Mortgagee agrees that it shall look solely to the Note Holders for the satisfaction of any indemnity (except expenses for foreclosure of the type referred to in clause "First" of Section 3.03 hereof) owed to it pursuant to this Section 6.03. The Mortgagee shall not be under any obligation to take any action under this Trust Indenture or any other Operative Agreement and nothing herein or therein shall require the Mortgagee to expend or risk its own funds or otherwise incur the risk of any financial liability in the performance of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it (the written indemnity of any Note Holder who is a QIB, signed by an authorized officer thereof, in favor of, delivered to and in form reasonably satisfactory to the Mortgagee shall be accepted as reasonable assurance of adequate indemnity). The Mortgagee shall not be required to take any action under Section 6.01 (other than the first sentence thereof) or 6.02 or Article V hereof, nor shall any other provision of this Trust Indenture or any other Operative Agreement be deemed to impose a duty on the Mortgagee to take any action, if the Mortgagee shall have been advised by counsel that such action is contrary to the terms hereof or is otherwise contrary to Law.

SECTION 6.04. No Duties Except as Specified in Trust Indenture or Instructions

The Mortgagee shall not have any duty or obligation to use, operate, store, lease, control, manage, sell, dispose of or otherwise deal with any part of the Collateral, or to otherwise take or refrain from taking any action under, or in connection with, this Trust Indenture or any part of the Collateral, except as expressly provided by the terms of this Trust Indenture or as expressly provided in written instructions from Note Holders as provided in this Trust Indenture; and no implied duties or obligations shall be read into this Trust Indenture against the Mortgagee. The Mortgagee agrees that it will in its individual capacity and at its own cost and expense (but without any right of indemnity in respect of any such cost or expense under Section 8.01 hereof), promptly take such action as may be necessary duly to discharge all liens and encumbrances on any part of the Collateral which result from claims against it in its individual capacity not related to the administration of the Collateral or any other transaction pursuant to this Trust Indenture or any document included in the Collateral.

SECTION 6.05. No Action Except Under Trust Indenture or Instructions

The Mortgagee will not use, operate, store, lease, control, manage, sell, dispose of or otherwise deal with any part of the Collateral except in accordance with the powers granted to, or the authority conferred upon the Mortgagee pursuant to this Trust Indenture and in accordance with the express terms hereof.

SECTION 6.06. Investment of Amounts Held by Mortgagee

Any amounts held by the Mortgagee pursuant to Section 3.02, 3.03 or 3.07 or pursuant to any provision of any other Operative Agreement providing for amounts to be held by the Mortgagee which are not distributed pursuant to the other provisions of Article III hereof shall be invested by the Mortgagee from time to time in Investment Securities as directed by the Owner so long as the Mortgagee may acquire the same using its best efforts. All Investment Securities held by the Mortgagee pursuant to this Section 6.06 shall either be (a) registered in the name of, payable to the order of, or specially endorsed to, the Mortgagee, or (b) held in an Eligible Account. Unless otherwise expressly provided in this Trust Indenture, any income realized as a result of any such investment, net of the Mortgagee's reasonable fees and expenses in making such investment, shall be held and applied by the Mortgagee in the same manner as the principal amount of such investment is to be applied and any losses, net of earnings and such reasonable fees and expenses, shall be charged against the principal amount invested. The Mortgagee shall not be liable for any loss resulting from any investment required to be made by it under this Trust Indenture other than by reason of its willful misconduct or gross negligence or negligence in the handling of funds, and any such investment may be sold (without regard to its maturity) by the Mortgagee without instructions whenever such sale is necessary to make a distribution required by this Trust Indenture.

ARTICLE VII

THE MORTGAGEE

SECTION 7.01. Acceptance of Trusts and Duties

The Mortgagee accepts the duties hereby created and applicable to it and agrees to perform the same but only upon the terms of this Trust Indenture and agrees to receive and disburse all monies constituting part of the Collateral in accordance with the terms hereof. The Mortgagee, in its individual capacity, shall not be answerable or accountable under any circumstances, except (i) for its own willful misconduct or gross negligence (other than for the handling of funds, for which the standard of accountability shall be willful misconduct or negligence), (ii) as provided in the fourth sentence of Section 2.04(a) hereof and the last sentence of Section 6.04 hereof, and (iii) from the inaccuracy of any representation or warranty of the Mortgagee (in its individual capacity) in the Note Purchase Agreement or expressly made hereunder.

SECTION 7.02. Absence of Duties

Except in accordance with written instructions furnished pursuant to Section 6.01 or 6.02 hereof, and except as provided in, and without limiting the generality of, Sections 6.03, 6.04 and 7.07 hereof the Mortgagee shall have no duty (i) to see to any recording or filing of this Trust Indenture or any other document, or to see to the maintenance of any such recording or filing, (ii) to see to any insurance on any Pledged Spare Parts or to effect or maintain any such insurance, whether or not Owner shall be in default with respect thereto, (iii) to see to the payment or discharge of any lien or encumbrance of any kind against any part of the Collateral, (iv) to confirm, verify or inquire into the failure to receive any financial statements from Owner, or (v) to inspect the Collateral at any time or ascertain or inquire as to the performance or observance of any of Owner's covenants herein or any Permitted Lessee's covenants under any assigned Permitted Lease with respect to any Pledged Spare Parts.

SECTION 7.03. No Representations or Warranties as to Pledged Spare Parts or Spare Parts Documents

THE MORTGAGEE IN ITS INDIVIDUAL OR TRUST CAPACITY DOES NOT MAKE AND SHALL NOT BE DEEMED TO HAVE MADE AND HEREBY EXPRESSLY DISCLAIMS ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE TITLE, AIRWORTHINESS, VALUE, COMPLIANCE WITH SPECIFICATIONS, CONDITION, DESIGN, QUALITY, DURABILITY, OPERATION, MERCHANTABILITY OR FITNESS FOR USE FOR A PARTICULAR PURPOSE OF ANY PLEDGED SPARE PARTS, AS TO THE ABSENCE OF LATENT OR OTHER DEFECTS, WHETHER OR NOT DISCOVERABLE, AS TO THE ABSENCE OF ANY INFRINGEMENT OF ANY PATENT, TRADEMARK OR COPYRIGHT, AS TO THE ABSENCE OF OBLIGATIONS BASED ON STRICT LIABILITY IN TORT OR ANY OTHER REPRESENTATION OR WARRANTY WHATSOEVER. The Mortgagee, in its individual or trust capacities, does not make or shall not be deemed to have made any representation or warranty as to the validity, legality or enforceability of this Trust Indenture, the Note Purchase

Agreement, or the Equipment Notes, or as to the correctness of any statement contained in any thereof, except for the representations and warranties of the Mortgagee in its individual capacity expressly made in this Trust Indenture or in the Note Purchase Agreement. The Note Holders make no representation or warranty hereunder whatsoever.

SECTION 7.04. No Segregation of Monies; No Interest

Except as otherwise provided in Section 3.07 hereof, any monies paid to or retained by the Mortgagee pursuant to any provision hereof and not then required to be distributed to the Note Holders, or the Owner as provided in Article III hereof need not be segregated in any manner except to the extent required by Law or Section 6.06 hereof, and may be deposited under such general conditions as may be prescribed by Law, and the Mortgagee shall not be liable for any interest thereon (except that the Mortgagee shall invest all monies held as directed by Owner so long as no Event of Default has occurred and is continuing (or in the absence of such direction, by the Majority In Interest of Note Holders) in Investment Securities; provided, however, that any payments received, or applied hereunder, by the Mortgagee shall be accounted for by the Mortgagee so that any portion thereof paid or applied pursuant hereto shall be identifiable as to the source thereof.

SECTION 7.05. Reliance; Agreements; Advice of Counsel

The Mortgagee shall not incur any liability to anyone in acting upon any signature, instrument, notice, resolution, request, consent, order, certificate, report, opinion, bond or other document or paper believed by it to be genuine and believed by it to be signed by the proper party or parties. The Mortgagee may accept a copy of a resolution of the Board of Directors (or Executive Committee thereof) of the Owner, certified by the Secretary or an Assistant Secretary thereof as duly adopted and in full force and effect, as conclusive evidence that such resolution has been duly adopted and that the same is in full force and effect. As to the aggregate unpaid Original Amount of Equipment Notes outstanding as of any date, the Owner may for all purposes hereof rely on a certificate signed by any Vice President or other authorized corporate trust officer of the Mortgagee. As to any fact or matter relating to the Owner the manner of the ascertainment of which is not specifically described herein, the Mortgagee may for all purposes hereof rely on a certificate, signed by a duly authorized officer of the Owner, as to such fact or matter, and such certificate shall constitute full protection to the Mortgagee for any action taken or omitted to be taken by it in good faith in reliance thereon. In the administration of the trusts hereunder, the Mortgagee may execute any of the trusts or powers hereof and perform its powers and duties hereunder directly or through agents or attorneys and may, at the expense of the Collateral, advise with counsel, accountants and other skilled persons to be selected and retained by it, and the Mortgagee shall not be liable for anything done, suffered or omitted in good faith by it in accordance with the written advice or written opinion of any such counsel, accountants or other skilled persons.

SECTION 7.06. Compensation

The Mortgagee shall be entitled to reasonable compensation, including expenses and disbursements (including the reasonable fees and expenses of counsel), for all services

rendered hereunder and shall, on and subsequent to an Event of Default hereunder, have a priority claim on the Collateral for the payment of such compensation, to the extent that such compensation shall not be paid by Owner, and shall have the right, on and subsequent to an Event of Default hereunder, to use or apply any monies held by it hereunder in the Collateral toward such payments. The Mortgagee agrees that it shall have no right against the Note Holders for any fee as compensation for its services as trustee under this Trust Indenture.

SECTION 7.07. Instructions from Note Holders

In the administration of the trusts created hereunder, the Mortgagee shall have the right to seek instructions from a Majority in Interest of Note Holders should any provision of this Trust Indenture appear to conflict with any other provision herein or should the Mortgagee's duties or obligations hereunder be unclear, and the Mortgagee shall incur no liability in refraining from acting until it receives such instructions. The Mortgagee shall be fully protected for acting in accordance with any instructions received under this Section 7.07.

ARTICLE VIII

INDEMNIFICATION

SECTION 8.01. Scope of Indemnification

The Mortgagee shall be indemnified by the Owner to the extent and in the manner provided in Section 8 of the Note Purchase Agreement.

ARTICLE IX

SUCCESSOR AND SEPARATE TRUSTEES

SECTION 9.01. Resignation of Mortgagee; Appointment of Successor

(a) The Mortgagee or any successor thereto may resign at any time without cause by giving at least 30 days' prior written notice to the Owner and each Note Holder, such resignation to be effective upon the acceptance of the trusteeship by a successor Mortgagee. In addition, a Majority in Interest of Note Holders may at any time (but only with the consent of Owner, which consent shall not be unreasonably withheld, except that such consent shall not be necessary if an Event of Default is continuing) remove the Mortgagee without cause by an instrument in writing delivered to the Owner and the Mortgagee, and the Mortgagee shall promptly notify each Note Holder thereof in writing, such removal to be effective upon the acceptance of the trusteeship by a successor Mortgagee. In the case of the resignation or removal of the Mortgagee, a Majority in Interest of Note Holders may appoint a successor Mortgagee by an instrument signed by such holders, which successor, so long as no Event of Default shall have occurred and be continuing, shall be subject to Owner's reasonable approval. If a successor Mortgagee shall not have been appointed within 30 days after such notice of resignation or removal, the Mortgagee, the Owner or any Note Holder may apply to any court of

competent jurisdiction to appoint a successor Mortgagee to act until such time, if any, as a successor shall have been appointed as above provided. The successor Mortgagee so appointed by such court shall immediately and without further act be superseded by any successor Mortgagee appointed as above provided.

(b) Any successor Mortgagee, however appointed, shall execute and deliver to the Owner and the predecessor Mortgagee an instrument accepting such appointment and assuming the obligations of the Mortgagee arising from and after the time of such appointment, and thereupon such successor Mortgagee, without further act, shall become vested with all the estates, properties, rights, powers and duties of the predecessor Mortgagee hereunder in the trust hereunder applicable to it with like effect as if originally named the Mortgagee herein; but nevertheless upon the written request of such successor Mortgagee, such predecessor Mortgagee shall execute and deliver an instrument transferring to such successor Mortgagee, upon the trusts herein expressed applicable to it, all the estates, properties, rights and powers of such predecessor Mortgagee, and such predecessor Mortgagee shall duly assign, transfer, deliver and pay over to such successor Mortgagee all monies or other property then held by such predecessor Mortgagee hereunder.

(c) Any successor Mortgagee, however appointed, shall be a bank or trust company having its principal place of business in the Borough of Manhattan, City and State of New York; Chicago, Illinois; Hartford, Connecticut; Wilmington, Delaware; or Boston, Massachusetts and having (or whose obligations under the Operative Agreements are guaranteed by an affiliated entity having) a combined capital and surplus of at least \$100,000,000, if there be such an institution willing, able and legally qualified to perform the duties of the Mortgagee hereunder upon reasonable or customary terms.

(d) Any corporation into which the Mortgagee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Mortgagee shall be a party, or any corporation to which substantially all the corporate trust business of the Mortgagee may be transferred, shall, subject to the terms of paragraph (c) of this Section 9.01, be a successor Mortgagee and the Mortgagee under this Trust Indenture without further act.

SECTION 9.02. Appointment of Additional and Separate Trustees

(a) Whenever (i) the Mortgagee shall deem it necessary or desirable in order to conform to any Law of any jurisdiction in which all or any part of the Collateral shall be situated or to make any claim or bring any suit with respect to or in connection with the Collateral, this Trust Indenture, any other Indenture Agreement, the Equipment Notes or any of the transactions contemplated by the Note Purchase Agreement, (ii) the Mortgagee shall be advised by counsel satisfactory to it that it is so necessary or prudent in the interests of the Note Holders (and the Mortgagee shall so advise the Owner), or (iii) the Mortgagee shall have been requested to do so by a Majority in Interest of Note Holders, then in any such case, the Mortgagee and, upon the written request of the Mortgagee, the Owner, shall execute and deliver an indenture supplemental hereto and such other instruments as may from time to time be necessary or advisable either (1) to constitute one or more bank or trust companies or one or

more persons approved by the Mortgagee, either to act jointly with the Mortgagee as additional trustee or trustees of all or any part of the Collateral, or to act as separate trustee or trustees of all or any part of the Collateral, in each case with such rights, powers, duties and obligations consistent with this Trust Indenture as may be provided in such supplemental indenture or other instruments as the Mortgagee or a Majority in Interest of Note Holders may deem necessary or advisable, or (2) to clarify, add to or subtract from the rights, powers, duties and obligations theretofore granted any such additional or separate trustee, subject in each case to the remaining provisions of this Section 9.02. If the Owner shall not have taken any action requested of it under this Section 9.02(a) that is permitted or required by its terms within 15 days after the receipt of a written request from the Mortgagee so to do, or if an Event of Default shall have occurred and be continuing, the Mortgagee may act under the foregoing provisions of this Section 9.02(a) without the concurrence of the Owner, and the Owner hereby irrevocably appoints (which appointment is coupled with an interest) the Mortgagee, its agent and attorney-in-fact to act for it under the foregoing provisions of this Section 9.02(a) in either of such contingencies. The Mortgagee may, in such capacity, execute, deliver and perform any such supplemental indenture, or any such instrument, as may be required for the appointment of any such additional or separate trustee or for the clarification of, addition to or subtraction from the rights, powers, duties or obligations theretofore granted to any such additional or separate trustee. In case any additional or separate trustee appointed under this Section 9.02(a) shall die, become incapable of acting, resign or be moved, all the assets, property, rights, powers, trusts, duties and obligations of such additional or separate trustee shall revert to the Mortgagee until a successor additional or separate trustee is appointed as provided in this Section 9.02(a).

(b) No additional or separate trustee shall be entitled to exercise any of the rights, powers, duties and obligations conferred upon the Mortgagee in respect of the custody, investment and payment of monies and all monies received by any such additional or separate trustee from or constituting part of the Collateral or otherwise payable under any Operative Agreement to the Mortgagee shall be promptly paid over by it to the Mortgagee. All other rights, powers, duties and obligations conferred or imposed upon any additional or separate trustee shall be exercised or performed by the Mortgagee and such additional or separate trustee jointly except to the extent that applicable Law of any jurisdiction in which any particular act is to be performed renders the Mortgagee incompetent or unqualified to perform such act, in which event such rights, powers, duties and obligations (including the holding of title to all or part of the Collateral in any such jurisdiction) shall be exercised and performed by such additional or separate trustee. No additional or separate trustee shall take any discretionary action except on the instructions of the Mortgagee or a Majority in Interest of Note Holders. No trustee hereunder shall be personally liable by reason of any act or omission of any other trustee hereunder, except that the Mortgagee shall be liable for the consequences of its lack of reasonable care in selecting, and the Mortgagee's own actions in acting with, any additional or separate trustee. Each additional or separate trustee appointed pursuant to this Section 9.02 shall be subject to, and shall have the benefit of Articles V through IX and Article XI hereof insofar as they apply to the Mortgagee. The powers of any additional or separate trustee appointed pursuant to this Section 9.02 shall not in any case exceed those of the Mortgagee hereunder.

(c) If at any time the Mortgagee shall deem it no longer necessary or in order to conform to any such Law or take any such action or shall be advised by such counsel

that it is no longer so necessary or desirable in the interest of the Note Holders, or in the event that the Mortgagee shall have been requested to do so in writing by a Majority in Interest of Note Holders, the Mortgagee and, upon the written request of the Mortgagee, the Owner, shall execute and deliver an indenture supplemental hereto and all other instruments and agreements necessary or proper to remove any additional or separate trustee. The Mortgagee may act on behalf of the Owner under this Section 9.02(c) when and to the extent it could so act under Section 9.02(a) hereof.

ARTICLE X

SUPPLEMENTS AND AMENDMENTS TO THIS TRUST INDENTURE

AND OTHER DOCUMENTS

SECTION 10.01. Instructions of Majority; Limitations

(a) The Mortgagee agrees with the Note Holders that it shall not enter into any amendment, waiver or modification of, supplement or consent to this Trust Indenture, or any other Operative Agreement to which it is a party, unless such supplement, amendment, waiver, modification or consent is consented to in writing by a Majority in Interest of Note Holders, but upon the written request of a Majority in Interest of Note Holders, the Mortgagee shall from time to time enter into any such supplement or amendment, or execute and deliver any such waiver, modification or consent, as may be specified in such request and as may be (in the case of any such amendment, supplement or modification), to the extent such agreement is required, agreed to by the Owner; provided, however, that (1) without the consent of each holder of an affected Equipment Note then outstanding, the Policy Provider and the Liquidity Providers, no such amendment, waiver or modification of the terms of, or consent under, any thereof, shall (i) modify any of the provisions of this Section 10.01, or of Article II or III or Section 5.01, 5.02(c), 5.02(d), or 6.02 hereof, the definitions of “Event of Default,” “Special Default,” “Default,” “Majority in Interest of Note Holders,” “Break Amount,” “Premium” or “Note Holder,” or the percentage of Note Holders required to take or approve any action hereunder, (ii) reduce the amount, or change the time of payment or method of calculation of any amount, of Original Amount, Break Amount, if any, Premium, if any, or interest with respect to any Equipment Note, (iii) reduce, modify or amend any indemnities in favor of the Mortgagee or the Note Holders (except that the Mortgagee may consent to any waiver or reduction of an indemnity payable to it), or the other Indenture Indemnitees or (iv) permit the creation of any Lien on the Collateral or any part thereof other than Permitted Liens or deprive any Note Holder of the benefit of the Lien of this Trust Indenture on the Collateral, except as provided in connection with the exercise of remedies under Article V hereof; and (2) notwithstanding the foregoing, upon the written request of the Required Subordinated Holders, the Mortgagee shall from time to time enter into an amendment, supplement or waiver of the Subordinated Security Provisions contained in the Collateral Maintenance Agreement as may be agreed by the Owner. Notwithstanding the foregoing, without the consent of the affected Liquidity Provider or Policy Provider neither the Owner nor the Mortgagee shall enter into any amendment, waiver or modification of, supplement or consent to this Trust Indenture or the other Operative Agreements

which shall reduce, modify or amend any indemnities in favor of or other amounts payable to such Liquidity Provider or Policy Provider.

(b) The Owner and the Mortgagee may enter into one or more agreements supplemental hereto without the consent of any Note Holder for any of the following purposes: (i) (a) to cure any defect or inconsistency herein or in the Equipment Notes, or to make any change not inconsistent with the provisions hereof (provided that such change does not adversely affect the interests of any Note Holder in its capacity solely as Note Holder) or (b) to cure any ambiguity or correct any mistake; (ii) to evidence the succession of another party as the Owner in accordance with the terms hereof or to evidence the succession of a new trustee hereunder pursuant hereto, the removal of the trustee hereunder or the appointment of any co-trustee or co-trustees or any separate or additional trustee or trustees; (iii) to convey, transfer, assign, mortgage or pledge any property to or with the Mortgagee or to make any other provisions with respect to matters or questions arising hereunder so long as such action shall not adversely affect the interests of the Note Holders in its capacity solely as Note Holder; (iv) to correct or amplify the description of any property at any time subject to the Lien of this Trust Indenture or better to assure, convey and confirm unto the Mortgagee any property subject or required to be subject to the Lien of this Trust Indenture; (v) to add any location as a Designated Location; (vi) to add to the covenants of the Owner for the benefit of the Note Holders, or to surrender any rights or power herein conferred upon the Owner; (vii) to add to the rights of the Note Holders; and (viii) to include on the Equipment Notes any legend as may be required by Law.

SECTION 10.02. Mortgagee Protected

If, in the opinion of the institution acting as Mortgagee hereunder, any document required to be executed by it pursuant to the terms of Section 10.01 hereof affects any right, duty, immunity or indemnity with respect to such institution under this Trust Indenture, such institution may in its discretion decline to execute such document.

SECTION 10.03. Documents Mailed to Note Holders

Promptly after the execution by the Owner or the Mortgagee of any document entered into pursuant to Section 10.01 hereof, the Mortgagee shall mail, by first class mail, postage prepaid, a copy thereof to Owner (if not a party thereto), to the Policy Provider and to each Note Holder at its address last set forth in the Equipment Note Register, but the failure of the Mortgagee to mail such copies shall not impair or affect the validity of such document.

SECTION 10.04. No Request Necessary for Trust Indenture Supplement

No written request or consent of the Note Holders pursuant to Section 10.01 hereof shall be required to enable the Mortgagee to execute and deliver a Trust Indenture Supplement specifically required by the terms hereof.

ARTICLE XI

MISCELLANEOUS

SECTION 11.01. Termination of Trust Indenture

Upon (or at any time after) payment in full of the Original Amount of, Premium, if any, Break Amount, if any, and interest on and all other amounts due under all Equipment Notes and provided that there shall then be no other Secured Obligations due to the Indenture Indemnitees, the Note Holders and the Mortgagee hereunder or under the Note Purchase Agreement, the Collateral Maintenance Agreement or other Operative Agreement, the Owner shall direct the Mortgagee to execute and deliver to or as directed in writing by the Owner an appropriate instrument releasing the Pledged Spare Parts and all other Collateral from the Lien of the Trust Indenture and the Mortgagee shall execute and deliver such instrument as aforesaid; provided, however, that this Trust Indenture and the trusts created hereby shall earlier terminate and this Trust Indenture shall be of no further force or effect upon any sale or other final disposition by the Mortgagee of all property constituting part of the Collateral and the final distribution by the Mortgagee of all monies or other property or proceeds constituting part of the Collateral in accordance with the terms hereof. Except as aforesaid otherwise provided, this Trust Indenture and the trusts created hereby shall continue in full force and effect in accordance with the terms hereof.

SECTION 11.02. No Legal Title to Collateral in Note Holders

No holder of an Equipment Note shall have legal title to any part of the Collateral. No transfer, by operation of law or otherwise, of any Equipment Note or other right, title and interest of any Note Holder in and to the Collateral or hereunder shall operate to terminate this Trust Indenture or entitle such holder or any successor or transferee of such holder to an accounting or to the transfer to it of any legal title to any part of the Collateral.

SECTION 11.03. Sale of Collateral by Mortgagee Is Binding

Any sale or other conveyance of the Collateral, or any part thereof (including any part thereof or interest therein), by the Mortgagee made pursuant to the terms of this Trust Indenture shall bind the Note Holders and shall be effective to transfer or convey all right, title and interest of the Mortgagee, the Owner and such holders in and to such Collateral or part thereof. No purchaser or other grantee shall be required to inquire as to the authorization, necessity, expediency or regularity of such sale or conveyance or as to the application of any sale or other proceeds with respect thereto by the Mortgagee.

SECTION 11.04. Trust Indenture for Benefit of Owner, Mortgagee, Note Holders and the other Indenture Indemnitees

Nothing in this Trust Indenture, whether express or implied, shall be construed to give any person other than the Owner, the Mortgagee, the Note Holders and the other Indenture Indemnitees, any legal or equitable right, remedy or claim under or in respect of this Trust Indenture.

SECTION 11.05. Notices

Unless otherwise expressly specified or permitted by the terms hereof, all notices, requests, demands, authorizations, directions, consents, waivers or documents provided or permitted by this Trust Indenture to be made, given, furnished or filed shall be in writing, personally delivered or mailed by certified mail, postage prepaid, or by facsimile or confirmed telex, and (i) if to the Owner, addressed to it at 1600 Smith Street, Houston, Texas 77002, Attention: Treasurer, facsimile number (713) 324-2447, (ii) if to Mortgagee, addressed to it at its office at Rodney Square North, 1100 North Market Street, Wilmington, Delaware 19890, Attention: Corporate Trust Administration, facsimile number (302) 651-8882, (iii) if to any Note Holder or any Indenture Indemnitee, addressed to such party at such address as such party shall have furnished by notice to the Owner and the Mortgagee, or, until an address is so furnished, addressed to the address of such party (if any) set forth on Schedule 1 to the Note Purchase Agreement or in the Equipment Note Register. Whenever any notice in writing is required to be given by the Owner or the Mortgagee or any Note Holder to any of the other of them, such notice shall be deemed given and such requirement satisfied when such notice is received, or if such notice is mailed by certified mail, postage prepaid, three Business Days after being mailed, addressed as provided above. Any party hereto may change the address to which notices to such party will be sent by giving notice of such change to the other parties to this Trust Indenture.

SECTION 11.06. Severability

Any provision of this Trust Indenture 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 particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 11.07. No Oral Modification or Continuing Waivers

No term or provision of this Trust Indenture or the Equipment Notes may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the Owner and the Mortgagee, in compliance with Section 10.01 hereof. Any waiver of the terms hereof or of any Equipment Note shall be effective only in the specific instance and for the specific purpose given.

SECTION 11.08. Successors and Assigns

All covenants and agreements contained herein shall be binding upon, and inure to the benefit of, each of the parties hereto and the permitted successors and assigns of each, all as herein provided. Any request, notice, direction, consent, waiver or other instrument or action by any Note Holder shall bind the successors and assigns of such holder. Each Note Holder by its acceptance of an Equipment Note agrees to be bound by this Trust Indenture and all provisions of the Operative Agreements applicable to a Note Holder.

SECTION 11.09. Headings

The headings of the various Articles and sections herein and in the table of contents hereto are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

SECTION 11.10. Normal Commercial Relations

Anything contained in this Trust Indenture to the contrary notwithstanding, Mortgagee may conduct any banking or other financial transactions, and have banking or other commercial relationships, with Owner, fully to the same extent as if this Trust Indenture were not in effect, including without limitation the making of loans or other extensions of credit to Owner for any purpose whatsoever, whether related to any of the transactions contemplated hereby or otherwise.

SECTION 11.11. Governing Law; Counterpart Form

THIS TRUST INDENTURE SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE. THIS TRUST INDENTURE IS BEING DELIVERED IN THE STATE OF NEW YORK. This Trust Indenture may be executed by the parties hereto in separate counterparts (or upon separate signature pages bound together into one or more counterparts), each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

SECTION 11.12. Voting By Note Holders

All votes of the Note Holders shall be governed by a vote of a Majority in Interest of Note Holders, except as otherwise provided herein.

SECTION 11.13. Bankruptcy

It is the intention of the parties that the Mortgagee shall be entitled to the benefits of Section 1110 with respect to the right to take possession of the Pledged Spare Parts and to enforce any of its other rights or remedies as provided herein in the event of a case under Chapter 11 of the Bankruptcy Code in which Owner is a debtor, and in any instance where more than one construction is possible of the terms and conditions hereof or any other pertinent Operative Agreement, each such party agrees that a construction which would preserve such benefits shall control over any construction which would not preserve such benefits.

SECTION 11.14. Agreement as to Fair Market Value

The Owner and the Mortgagee acknowledge that the use of Fair Market Value herein or in the other Operative Agreements is strictly and solely for convenience in establishing the amount of Collateral and any substitutions therefor under the Operative Agreements. Accordingly, the Fair Market Value of any Collateral subjected to the Lien of a Collateral

Agreement is not an indication of and shall not be deemed an agreement by the parties as the basis for valuation of such Collateral for purposes of determining the value of the Mortgagee's secured claim against the Owner, adequate protection of the Mortgagee's interest in the Collateral or for any other purpose in any bankruptcy, receivership or insolvency proceeding involving the Owner or any remedial action brought by the Mortgagee or Collateral Agent except to the extent such valuations are mandated by applicable law, or any court with jurisdiction over such proceedings, in either case without regard to the use of the concept of Fair Market Value by the parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Trust Indenture and Mortgage to be duly executed by their respective officers thereof duly authorized as of the day and year first above written.

CONTINENTAL AIRLINES, INC.

By:

Name:

Title:

WILMINGTON TRUST COMPANY, as Mortgagee

By:

Name:

Title:

ANNEX A

DEFINITIONS

GENERAL PROVISIONS

(a) In each Operative Agreement, unless otherwise expressly provided, a reference to:

- (i) each of “Owner,” “Mortgagee,” “Note Holder” or any other person includes, without prejudice to the provisions of any Operative Agreement, any successor in interest to it and any permitted transferee, permitted purchaser or permitted assignee of it;
- (ii) words importing the plural include the singular and words importing the singular include the plural;
- (iii) any agreement, instrument or document, or any annex, schedule or exhibit thereto, or any other part thereof, includes, without prejudice to the provisions of any Operative Agreement, that agreement, instrument or document, or annex, schedule or exhibit, or part, respectively, as amended, modified or supplemented from time to time in accordance with its terms and in accordance with the Operative Agreements, and any agreement, instrument or document entered into in substitution or replacement therefor;
- (iv) any provision of any Law includes any such provision as amended, modified, supplemented, substituted, reissued or reenacted prior to the Closing Date, and thereafter from time to time;
- (v) the words “Agreement,” “this Agreement,” “hereby,” “herein,” “hereto,” “hereof” and “hereunder” and words of similar import when used in any Operative Agreement refer to such Operative Agreement as a whole and not to any particular provision of such Operative Agreement;
- (vi) the words “including,” “including, without limitation,” “including, but not limited to,” and terms or phrases of similar import when used in any Operative Agreement, with respect to any matter or thing, mean including, without limitation, such matter or thing; and
- (vii) a “Section,” an “Exhibit,” an “Annex” or a “Schedule” in any Operative Agreement, or in any annex thereto, is a reference to a section of, or an exhibit, an annex or a schedule to, such Operative Agreement or such annex, respectively.

(b) Each exhibit, annex and schedule to each Operative Agreement is incorporated in, and shall be deemed to be a part of, such Operative Agreement.

(c) Unless otherwise defined or specified in any Operative Agreement, all accounting terms therein shall be construed and all accounting determinations thereunder shall be made in accordance with GAAP.

(d) Headings used in any Operative Agreement are for convenience only and shall not in any way affect the construction of, or be taken into consideration in interpreting, such Operative Agreement.

(e) For purposes of each Operative Agreement, the occurrence and continuance of a Default or Event of Default referred to in Section 5.01(v),(vi) or (vii) shall not be deemed to prohibit the Owner from taking any action or exercising any right that is conditioned on no Special Default, Default or Event of Default having occurred and be continuing if such Special Default, Default or Event of Default consists of the institution of reorganization proceedings with respect to Owner under Chapter 11 of the Bankruptcy Code and the trustee or debtor-in-possession in such proceedings shall have agreed to perform its obligations under the Trust Indenture with the approval of the applicable court and thereafter shall have continued to perform such obligations in accordance with Section 1110.

DEFINED TERMS

“Above-Cap Liquidity Agreement” means the ISDA Master Agreement, the Schedule to such ISDA Master Agreement and the Class G Above-Cap Liquidity Confirmation that supplements such ISDA Master Agreement, each dated as of the Issuance Date and between the Above-Cap Liquidity Provider and the Subordination Agent, on behalf of the Class G Pass Through Trustee, provided that, for purposes of any obligation of Owner, no amendment, modification or supplement to, or substitution or replacement of, any such instrument shall be effective unless consented to by Owner.

“Above-Cap Liquidity Provider” means Morgan Stanley Capital Services Inc., as Above-Cap Liquidity Provider under the Above-Cap Liquidity Agreement.

“Act” means part A of subtitle VII of title 49, United States Code.

“Actual Knowledge” means (a) as it applies to Mortgagee, actual knowledge of a responsible officer in the Corporate Trust Office, and (b) as it applies to Owner, actual knowledge of a Vice President or more senior officer of Owner or any other officer of Owner having responsibility for the transactions contemplated by the Operative Agreements; provided that each of Owner and Mortgagee shall be deemed to have “Actual Knowledge” of any matter as to which it has received notice from Owner, any Note Holder or Mortgagee, such notice having been given pursuant to Section 11.05 of the Trust Indenture.

“Additional Insureds” is defined in paragraph (i) of Section C to Annex B of the Trust Indenture.

“Additional Parts” is defined in Section 3.1(a)(i) of the Collateral Maintenance Agreement.

“Affiliate” means, with respect to any person, any other person directly or indirectly controlling, controlled by or under common control with such person. For purposes of this definition, “control” means the power, directly or indirectly, to direct or cause the direction of the management and policies of such person, whether through the ownership of voting securities or by contract or otherwise and “controlling,” “controlled by” and “under common control with” have correlative meanings.

“Aircraft” means any contrivance invented, used, or designed to navigate, or fly in, the air.

“Annual Methodology” means, in determining an opinion as to the Fair Market Value of the Collateral, taking at least the following actions: (i) reviewing the Parts Inventory Report prepared as of the applicable Valuation Date; (ii) reviewing the Independent Appraiser’s internal value database for values applicable to Qualified Spare Parts included in the Collateral; (iii) developing a representative sampling of a reasonable number of the different Qualified Spare Parts included in Collateral for which a market check will be conducted; (iv) checking other sources, such as manufacturers, other airlines, U.S. government procurement data and airline parts pooling price lists, for current market prices of the sample parts referred to in clause (iii); (v) establishing an assumed ratio of Serviceable Parts to Unserviceable Parts as of the applicable Valuation Date based upon information provided by the Owner and the Independent Appraiser’s limited physical review of the Collateral referred to in the following clause (vi); (vi) visiting at least two locations selected by the Independent Appraiser where the Pledged Spare Parts are kept by the Owner (neither of which was visited for purposes of the last appraisal under Section 2.1 or 2.2 of the Collateral Maintenance Agreement, whichever was most recent), provided that at least one such location shall be one of the top three locations at which the Owner keeps the largest number of Pledged Spare Parts, to conduct a limited physical inspection of the Collateral; (vii) conducting a limited review of the inventory reporting system applicable to the Pledged Spare Parts, including checking information reported in such system against information determined through physical inspection pursuant to the preceding clause (vi); and (viii) reviewing a sampling of the Spare Parts Documents (including tear-down reports).

“Annual Valuation Date” is defined in Section 2.1 of the Collateral Maintenance Agreement.

“Appliance” means an instrument, equipment, apparatus, a part, an appurtenance, or an accessory used, capable of being used, or intended to be used, in operating or controlling Aircraft in flight, including a parachute, communication equipment, and another mechanism installed in or attached to Aircraft during flight, and not a part of an Aircraft, Engine, or Propeller.

“Applicable Margin” means 0.350%, in the case of the Series G Equipment Notes and 3.125%, in the case of the Series B Equipment Notes.

“Applicable Period” is defined in Section 3.2 of the Collateral Maintenance Agreement.

“Appraisal Compliance Report” means, as of any date, a report providing information relating to the calculation of the Collateral Ratio, the Subordinated Collateral Ratio and the Rotable Ratio, which shall be substantially in the form of Appendix I to the Collateral Maintenance Agreement.

“Appraised Value” means, with respect to any Collateral, the Fair Market Value of such Collateral as most recently determined pursuant to (i) the report attached as Appendix II to the Prospectus Supplement or (ii) Article 2 and, if applicable, Section 3.1 of the Collateral Maintenance Agreement.

“Bankruptcy Code” means the United States Bankruptcy Code, 11 U.S.C. Sections 101 *et seq.*

“Basic Pass Through Trust Agreement” means the Pass Through Trust Agreement, dated September 25, 1997, between Owner and Pass Through Trustee, but does not include any Trust Supplement.

“Beneficial Owner” when used in relation to an Equipment Note means a Person that, by reason of direct ownership, contract, share ownership or otherwise, has the right to receive or participate in receiving, directly or indirectly, payments of principal, interest or Premium in respect of such Equipment Note; provided that a Person shall not be deemed to be a Beneficial Owner of an Equipment Note solely because another Person in which such a Person owns common stock or other equity securities is a registered holder or Beneficial Owner of such Equipment Note unless such Person is an Affiliate of such other Person.

“Break Amount” means, as of any date of payment, redemption or acceleration of any Equipment Note (the “Applicable Date”), an amount determined by the Reference Agent on the date that is two Business Days prior to the Applicable Date pursuant to the formula set forth below; provided, however, that no Break Amount will be payable (x) if the Break Amount, as calculated pursuant to the formula set forth below, is equal to or less than zero or (y) on or in respect of any Applicable Date that is a Payment Date (or, if such Payment Date is not a Business Day, the next succeeding Business Day).

Break Amount = Z-Y

Where:

- X = with respect to any applicable Interest Period, the sum of (i) the amount of the outstanding principal amount of such Equipment Note as of the first day of the then applicable Interest Period plus (ii) interest payable thereon during such entire Interest Period at then effective LIBOR.
- Y = X, discounted to present value from the last day of the then applicable Interest Period to the Applicable Date, using then effective LIBOR as the discount rate.

Z = X, discounted to present value from the last day of the then applicable Interest Period to the Applicable Date, using a rate equal to the applicable London interbank offered rate for a period commencing on the Applicable Date and ending on the last day of the then applicable Interest Period, determined by the Reference Agent as of two Business Days prior to the Applicable Date as the discount rate.

“Business Day” means any day (i) other than a Saturday, Sunday or other day on which commercial banks are authorized or required by law to close in New York, New York, Houston, Texas, or Wilmington, Delaware and (ii) which is also a day for trading by and between banks in the London interbank Eurodollar market.

“Capped Interest Rate” means a rate per annum equal to 10.35%.

“Cash Collateral” means cash and/or Investment Securities deposited or to be deposited with the Securities Intermediary in accordance with the provisions of Section 3.07 of the Trust Indenture.

“Certificate Owner” is defined in the Pass Through Trust Agreements.

“Citizen of the United States” is defined in 49 U.S.C. § 40102(a)(15).

“Class B Pass Through Trust” means the Continental Airlines Pass Through Trust 2006-1B.

“Class G Pass Through Trust” means the Continental Airlines Pass Through Trust 2006-1G.

“Closing” means the closing of the transactions contemplated by the Note Purchase Agreement.

“Closing Date” means the date on which the Closing occurs.

“Code” means the Internal Revenue Code of 1986, as amended; provided that, when used in relation to a Plan, “Code” shall mean the Internal Revenue Code of 1986 and any regulations and rulings issued thereunder, all as amended and in effect from time to time.

“Collateral” is defined in the Granting Clause of the Trust Indenture.

“Collateral Agent” means the Mortgagee and each other Person acting as agent on behalf of the Note Holders under any other Collateral Agreement.

“Collateral Agreement” means the Trust Indenture and any other agreement under which a security interest has been granted pursuant to Section 3.1(a)(ii) of the Collateral Maintenance Agreement.

“Collateral Maintenance Agreement” means the Collateral Maintenance Agreement, dated as of the Issuance Date, among the Owner, the Mortgagee and the Policy Provider.

“Collateral Ratio” shall mean a percentage determined by dividing (i) the aggregate outstanding Original Amount of all Series G Equipment Notes minus the sum of the Cash Collateral held by the Securities Intermediary by (ii) the Fair Market Value of all Collateral (excluding any Cash Collateral), as set forth in the most recent Independent Appraiser’s Certificate delivered by the Owner pursuant to Article 2 of the Collateral Maintenance Agreement, as supplemented pursuant to Section 3.1 of the Collateral Maintenance Agreement, if applicable.

“Continental Cash Balance” means the sum of (a) the amount of cash and cash equivalents that would have been shown on the balance sheet of Continental and its consolidated subsidiaries prepared in accordance with GAAP as of any Valuation Date, plus (b) the amount of marketable securities that would have been reflected on such balance sheet which had, as of such Valuation Date, a maturity of less than one year and which, but for their maturity, would have qualified to be reflected on such balance sheet as cash equivalents.

“Controlling Party” is defined in the Intercreditor Agreement.

“Corporate Trust Office” means the principal office of Mortgagee located at Mortgagee’s address for notices under the Note Purchase Agreement or such other office at which Mortgagee’s corporate trust business shall be administered which Mortgagee shall have specified by notice in writing to Owner and each Note Holder.

“Debt Balance” means 110% of the outstanding Original Amount of the Equipment Notes.

“Debt Rate” means (i) for purposes of interest on the Equipment Notes, in the case of the first Interest Period, the Initial Period Debt Rate (as defined in Schedule 2 to the Note Purchase Agreement) and, in the case of any subsequent Interest Period, a rate per annum of LIBOR for such Interest Period, as determined pursuant to the Reference Agency Agreement, plus the Applicable Margin, provided that, if a Payment Default has occurred and is continuing on any Payment Date, the Debt Rate on the Series G Equipment Notes for the Interest Period commencing on such Payment Date shall not exceed the Capped Interest Rate, and (ii) for any other purpose, with respect to any period, the weighted average interest rate per annum during such period borne by the outstanding Equipment Notes, excluding any interest payable at the Payment Due Rate.

“Default” means any event or condition that with the giving of notice or the lapse of time or both would become an Event of Default.

“Designated Locations” means the locations in the U.S. designated from time to time by the Owner at which the Pledged Spare Parts may be maintained by or on behalf of the Owner, which initially shall be the locations set forth on Schedule I to the Trust Indenture and shall include the additional locations designated by the Owner pursuant to Section 4.04(b) of the Trust Indenture.

“Dollars,” “United States Dollars” or “\$” means the lawful currency of the United States.

“DOT” means the Department of Transportation of the United States or any Government Entity succeeding to the functions of such Department of Transportation.

“Eligible Account” means an account established by and with an Eligible Institution at the request of the Mortgagee, which institution agrees, for all purposes of the New York UCC including Article 8 thereof, that (a) such account shall be a “securities account” (as defined in Section 8-501 of the New York UCC), (b) such institution is a “securities intermediary” (as defined in Section 8-102(a)(14) of the New York UCC), (c) all property (other than cash) credited to such account shall be treated as a “financial asset” (as defined in Section 8-102(9) of the New York UCC), (d) the Mortgagee shall be the “entitlement holder” (as defined in Section 8-102(7) of the New York UCC) in respect of such account, (e) it will comply with all entitlement orders issued by the Mortgagee to the exclusion of the Owner, (f) it will waive or subordinate in favor of the Mortgagee all claims (including without limitation, claims by way of security interest, lien or right of set-off or right of recoupment), and (g) the “securities intermediary jurisdiction” (under Section 8-110(e) of the New York UCC) shall be the State of New York.

“Eligible Institution” means the corporate trust department of (a) Wilmington Trust Company, acting solely in its capacity as a “securities intermediary” (as defined in Section 8-102(a)(14) of the UCC), or (b) a depository institution organized under the laws of the United States of America or any one of the states thereof or the District of Columbia (or any U.S. branch of a foreign bank), which has a long-term unsecured debt rating from Moody’s and Standard & Poor’s of at least A-3 or its equivalent.

“Engine” means an engine used, or intended to be used, to propel an Aircraft, including a part, appurtenance, and accessory of the Engine, except a Propeller.

“Equipment Note Register” is defined in Section 2.07 of the Trust Indenture.

“Equipment Notes” means and includes any equipment notes issued under the Trust Indenture in the form specified in Section 2.01 thereof (as such form may be varied pursuant to the terms of the Trust Indenture) and any Equipment Note issued under the Trust Indenture in exchange for or replacement of any Equipment Note.

“ERISA” means the Employee Retirement Income Security Act of 1974, and any regulations and rulings issued thereunder all as amended and in effect from time to time.

“Event of Default” is defined in Section 5.01 of the Trust Indenture.

“Event of Loss” means (i) the loss of any of the Pledged Spare Parts or of the use thereof due to destruction, damage beyond economic repair or rendition of any of the Pledged Spare Parts permanently unfit for normal use by Owner for any reason whatsoever (other than the use of Expendables in the Owner’s operations); (ii) any damage to any of the Pledged Spare Parts which results in the receipt of insurance proceeds with respect to such Pledged Spare Parts on the basis of an actual or constructive loss; (iii) the loss of possession of any of the Pledged Spare Parts by the Owner for ninety (90) consecutive days (or, if earlier, the date on which the Owner has confirmed to the Mortgagee in writing that the Owner cannot recover such Pledged Spare Parts) as a result of the theft or disappearance of such Pledged Spare Parts; or (iv) any seizure, condemnation, confiscation, taking or requisition (including loss of title) of any of the Pledged Spare Parts by any Government Entity or purported Government Entity (other than a requisition of use by the U.S. Government) for a period exceeding 180 consecutive days.

“Excluded Parts” means Spare Parts and Appliances held by the Owner at a location not a Designated Location.

“Existing Securities” means the Floating Rate Secured Notes due 2007 and the Floating Rate Secured Subordinated Notes due 2007 issued by Owner.

“Existing Security Agent” means WTC, in its capacity as Security Agent under the Existing Security Agreement.

“Existing Security Agreement” means the Spare Parts Security Agreement, dated as of December 6, 2002, between the Owner and Wilmington Trust Company, as security agent.

“Existing Security Release” means a release in substantially the form of Exhibit E to the Note Purchase Agreement.

“Existing Trustee” means WTC, in its capacity as Trustee with respect to the Existing Securities.

“Expendables” means Qualified Spare Parts other than Rotables.

“Expenses” means any and all liabilities, obligations, losses, damages, settlements, penalties, claims, actions, suits, costs, expenses and disbursements (including, without limitation, reasonable fees and disbursements of legal counsel, accountants, appraisers, inspectors or other professionals, and costs of investigation).

“FAA” means the Federal Aviation Administration of the United States or any Government Entity succeeding to the functions of such Federal Aviation Administration.

“FAA Filed Documents” means the Trust Indenture and the Existing Security Release.

“FAA Regulations” means the Federal Aviation Regulations issued or promulgated pursuant to the Act from time to time.

“Fair Market Value” means, with respect to any Collateral, its fair market value determined on the basis of a hypothetical sale negotiated in an arm’s length free market transaction between a willing and able seller and a willing and able buyer, neither of whom is under undue pressure to complete the transaction, under then current market conditions, provided that cash shall be valued at its Dollar amount.

“Financing Statements” means, collectively, (a) UCC-1 (and, where appropriate, UCC-3) financing statements covering the Collateral, by Owner, as debtor, showing Mortgagee as secured party, for filing in Delaware and each other jurisdiction that, in the opinion of Mortgagee, is necessary to perfect its Lien on the Collateral and (b) UCC-3 financing statements evidencing the termination of the Lien of the Existing Security Agreement, for filing in each jurisdiction that, in the opinion of Mortgagee, is reasonably desirable.

“GAAP” means generally accepted accounting principles as set forth in the statements of financial accounting standards issued by the Financial Accounting Standards Board of the American Institute of Certified Public Accountants, as such principles may at any time or from time to time be varied by any applicable financial accounting rules or regulations issued by the SEC and, with respect to any person, shall mean such principles applied on a basis consistent with prior periods except as may be disclosed in such person’s financial statements.

“Government Entity” means (a) any federal, state, provincial or similar government, and any body, board, department, commission, court, tribunal, authority, agency or other instrumentality of any such government or otherwise exercising any executive, legislative, judicial, administrative or regulatory functions of such government or (b) any other government entity having jurisdiction over any matter contemplated by the Operative Agreements or relating to the observance or performance of the obligations of any of the parties to the Operative Agreements.

“Indemnitee” means (i) WTC and Mortgagee, (ii) each separate or additional trustee appointed pursuant to the Trust Indenture, (iii) the Subordination Agent, (iv) the Liquidity Providers, the Liquidity Guarantor and the Policy Provider, (v) the Pass Through Trustees, (vi) each Affiliate of the persons described in clauses (i) and (ii), (vii) each Affiliate of the persons described in clauses (iii), (iv) and (v), (viii) the respective directors, officers, employees, agents and servants of each of the persons described in clauses (i), (ii) and (vi), (ix) the respective directors, officers, employees, agents and servants of each of the persons described in clauses (iii), (iv), (v) and (vii), (x) the successors and permitted assigns of the persons described in clauses (i), (ii) and (viii), and (xi) the successors and permitted assigns of the persons described in clauses (iii), (iv), (v) and (ix); provided that the persons described in clauses (iii), (iv), (v), (vii), (ix) and (xi) are Indemnitees only for purposes of Section 8.1 of the Note Purchase Agreement.

“Indenture Agreements” means any contract, agreement or instrument from time to time assigned or pledged under the Trust Indenture.

“Indenture Indemnitee” means (i) WTC and the Mortgagee, (ii) each separate or additional trustee appointed pursuant to the Trust Indenture, (iii) the Subordination Agent,

(iv) each Liquidity Provider, the Liquidity Guarantor and the Policy Provider, (v) each Pass Through Trustee and (vi) each of the respective directors, officers, employees, agents and servants of each of the persons described in clauses (i) through (v) inclusive above.

“Independent Appraiser” means Simat, Helliesen & Eichner, Inc. or any other Person certified by ISTAT (or any successor organization thereto) selected by the Owner and approved by the Policy Provider (so long as the Policy Provider is the Controlling Party), such approval not to be unreasonably withheld or delayed, (i) engaged in a business which includes appraising Aircraft and assets relating to the operation and maintenance of Aircraft from time to time and (ii) who does not have any material financial interest in the Owner and is not connected with the Owner or any of its Affiliates as an officer, director, employee, promoter, underwriter, partner or person performing similar functions.

“Independent Appraiser’s Certificate” means a certificate signed by an Independent Appraiser and attached as Appendix II to the Prospectus Supplement or delivered thereafter pursuant to Article 2 or Section 3.1 of the Collateral Maintenance Agreement.

“Intercreditor Agreement” means that certain Intercreditor Agreement among the Pass Through Trustees, the Liquidity Providers, the Policy Provider and the Subordination Agent, dated as of the Issuance Date, provided that, for purposes of any obligation of Owner, no amendment, modification or supplement to, or substitution or replacement of, such Intercreditor Agreement shall be effective unless consented to by Owner.

“Interest Period” means (i) in the case of the first Interest Period, the period commencing on (and including) the Issuance Date and ending on (but excluding) the first Payment Date following the Issuance Date and (ii) in the case of each subsequent Interest Period, the period commencing on (and including) the last day of the immediately preceding Interest Period, and ending on (but excluding) the next Payment Date.

“Interest Rate Determination Date” means, with respect to any Interest Period, the second Business Day prior to the first day of such Interest Period.

“Investment Security” means (a) any bond, note or other obligation which is a direct obligation of or guaranteed by the U.S. or any agency thereof; (b) any obligation which is a direct obligation of or guaranteed by any state of the U.S. or any subdivision thereof or any agency of any such state or subdivision, and which has the highest rating published by Moody’s or Standard & Poor’s; (c) any commercial paper issued by a U.S. obligor and rated at least P-1 by Moody’s or A-1 by Standard & Poor’s; (d) any money market investment instrument relying upon the credit and backing of any bank or trust company which is a member of the Federal Reserve System and which has a combined capital (including capital reserves to the extent not included in capital) and surplus and undivided profits of not less than \$250,000,000 (including the Mortgagee and its Affiliates if such requirements as to Federal Reserve System membership and combined capital and surplus and undivided profits are satisfied), including, without limitation, certificates of deposit, time and other interest-bearing deposits, bankers’ acceptances, commercial paper, loan and mortgage participation certificates and documented discount notes accompanied by irrevocable letters of credit and money market fund investing solely in securities

backed by the full faith and credit of the United States; or (e) repurchase agreements collateralized by any of the foregoing.

“IRS” means the Internal Revenue Service of the United States or any Government Entity succeeding to the functions of such Internal Revenue Service.

“Issuance Date” means June 9, 2006.

“Law” means (a) any constitution, treaty, statute, law, decree, regulation, order, rule or directive of any Government Entity, and (b) any judicial or administrative interpretation or application of, or decision under, any of the foregoing.

“LIBOR” means, with respect to any period, LIBOR for such period as determined pursuant to the Reference Agency Agreement.

“Lien” means any mortgage, pledge, lien, charge, claim, encumbrance, lease or security interest affecting the title to or any interest in property.

“Liquidity Facilities” means, collectively, the Above-Cap Liquidity Agreement and the Primary Liquidity Facility.

“Liquidity Guarantee” means the Guaranty Agreement, dated as of the Issuance Date, providing for the guarantee by the Liquidity Guarantor of the obligations of the Above-Cap Liquidity Provider under the Above-Cap Liquidity Agreement.

“Liquidity Guarantor” means Morgan Stanley.

“Liquidity Providers” means, together, the Above-Cap Liquidity Provider and the Primary Liquidity Provider.

“Loans” is defined in Section 3.2 of the Collateral Maintenance Agreement.

“Majority in Interest of Note Holders” means as of a particular date of determination, the holders of a majority in aggregate unpaid Original Amount of all Equipment Notes outstanding as of such date (excluding any Equipment Notes held by Owner or any of its Affiliates (unless all Equipment Notes then outstanding shall be held by Owner or any Affiliate of Owner); provided that for the purposes of directing any action or casting any vote or giving any consent, waiver or instruction hereunder, any Note Holder of an Equipment Note or Equipment Notes may allocate, in such Note Holder’s sole discretion, any fractional portion of the principal amount of such Equipment Note or Equipment Notes in favor of or in opposition to any such action, vote, consent, waiver or instruction.

“Material Adverse Change” means, with respect to any person, any event, condition or circumstance that materially and adversely affects such person’s business or consolidated financial condition, or its ability to observe or perform its obligations, liabilities and agreements under the Operative Agreements.

“Maximum Collateral Ratio” means 45.0%.

“Maximum Subordinated Collateral Ratio” means 75.0%.

“Minimum Rotable Ratio” means 150.0%.

“Moody’s” means Moody’s Investors Service, Inc.

“Mortgaged Property” is defined in Section 3.03 of the Trust Indenture.

“Mortgagee” means Wilmington Trust Company, a Delaware banking corporation, not in its individual capacity but solely as mortgagee under the Trust Indenture.

“Moves” is defined in Section 3.2 of the Collateral Maintenance Agreement.

“Net Worth” means, for any person, the excess of its total assets over its total liabilities.

“Non-U.S. Person” means any Person other than a United States person, as defined in Section 7701(a)(30) of the Code.

“Nonappraisal Compliance Report” means a report providing information relating to compliance by the Owner with Section 2.3 of the Collateral Maintenance Agreement, which shall be substantially in the form of Appendix II to the Collateral Maintenance Agreement.

“Note Holder” means at any time each registered holder of one or more Equipment Notes.

“Note Purchase Agreement” means the Note Purchase Agreement, dated as of the Issuance Date among Owner, the Pass Through Trustees, the Subordination Agent and Mortgagee.

“NY UCC” means the UCC as in effect on the date of determination in the State of New York.

“Officer’s Certificate” means, in respect of any party to the Note Purchase Agreement, a certificate signed by the Chairman, the President, any Vice President (including those with varying ranks such as Executive, Senior, Assistant or Staff Vice President), the Treasurer or the Secretary of such party.

“Operative Agreements” means, collectively, the Note Purchase Agreement, the Collateral Maintenance Agreement, the Trust Indenture and the Equipment Notes.

“Optional Redemption” is defined in Section 2.11 of the Trust Indenture.

“Original Amount,” with respect to an Equipment Note, means the stated original principal amount of such Equipment Note and, with respect to all Equipment Notes, means the aggregate stated original principal amounts of all Equipment Notes.

“Owner” is defined in the first paragraph of the Trust Indenture.

“Owner Person” means Owner, any lessee, assignee, successor or other user or person in possession of any Pledged Spare Part with or without color of right, or any Affiliate of any of the foregoing (excluding any Tax Indemnitee or any related Tax Indemnitee with respect thereto, or any person using or claiming any rights with respect to a Pledged Spare Part directly by or through any of the persons in this parenthetical).

“Parts Inventory Report” means, as of any date, a list identifying the Pledged Spare Parts by manufacturer’s part number and brief description and stating the quantity of each such part included in the Pledged Spare Parts as of such specified date.

“Pass Through Agreements” means the Pass Through Trust Agreements, the Intercreditor Agreement, the Reference Agency Agreement, the Liquidity Facilities, the Policy, the Policy Provider Agreement, the Policy Indemnification Agreement, the Policy Fee Letter and the Fee Letters referred to in Section 2.03 of the Primary Liquidity Facility, provided that no amendment, modification or supplement to, or substitution or replacement of, any such Fee Letter shall be effective for purposes of any obligation of Owner, unless consented to by Owner.

“Pass Through Certificates” means the pass through certificates issued by the Pass Through Trusts (and any other pass through certificates for which such pass through certificates may be exchanged).

“Pass Through Trust” means each of the two separate pass through trusts created under the Pass Through Trust Agreements.

“Pass Through Trust Agreement” means each of the two separate Trust Supplements, together in each case with the Basic Pass Through Trust Agreement, each dated as of the Issuance Date, by and between the Owner and a Pass Through Trustee, provided, that, for purposes of any obligation of Owner, no amendment, modification or supplement to, or substitution or replacement of, any such Agreement shall be effective unless consented to by Owner.

“Pass Through Trustee” means Wilmington Trust Company, a Delaware banking corporation, in its capacity as trustee under each Pass Through Trust Agreement.

“Pass Through Trustee Agreements” means the Pass Through Trust Agreements, the Note Purchase Agreement, and the Intercreditor Agreement.

“Payment Date” means each March 2, June 2, September 2 and December 2, commencing on September 2, 2006.

“Payment Default” means a Default under Section 5.01(i) of the Trust Indenture.

“Payment Due Rate” means (a) with respect to (i) any payment made to a Note Holder under any Series of Equipment Notes, the Debt Rate applicable to such Series plus 2% and (ii) any other payment made under any Operative Agreement to any other Person, the Debt

Rate applicable to such payment plus 2% or, if less, (b) the maximum rate permitted by applicable law.

“Permitted Days” is defined in Section 2.1 of the Collateral Maintenance Agreement.

“Permitted Lease” means a lease permitted under Section 4.04(d) of the Trust Indenture.

“Permitted Lessee” is defined in Section 4.04(d) of the Trust Indenture.

“Permitted Lien” means (a) the rights of Mortgagee under the Operative Agreements, or of any Permitted Lessee under any Permitted Lease; (b) Liens attributable to Mortgagee (both in its capacity as trustee under the Trust Indenture and in its individual capacity); (c) the rights of others under agreements or arrangements to the extent expressly permitted by the terms of Section 4.04 or 4.05 of the Trust Indenture; (d) Liens for Taxes of Owner (and its U.S. federal tax law consolidated group), or Liens for Taxes of any Tax Indemnitee (and its U.S. federal tax law consolidated group) for which Owner is obligated to indemnify such Tax Indemnitee under any of the Operative Agreements, in any such case either not yet due or being contested in good faith by appropriate proceedings so long as such Liens and such proceedings do not involve any material risk of the sale, forfeiture or loss of the Pledged Spare Parts or the interest of Mortgagee therein or impair the Lien of the Trust Indenture; (e) materialmen’s, mechanics’, workers’, repairers’, employees’ or other like Liens arising in the ordinary course of business for amounts the payment of which is either not yet delinquent for more than 60 days or is being contested in good faith by appropriate proceedings, so long as such Liens and such proceedings do not involve any material risk of the sale, forfeiture or loss of the Pledged Spare Parts or the interest of Mortgagee therein or impair the Lien of the Trust Indenture; (f) Liens arising out of any judgment or award against Owner (or any Permitted Lessee), so long as such judgment shall, within 60 days after the entry thereof, have been discharged or vacated, or execution thereof stayed pending appeal or shall have been discharged, vacated or reversed within 60 days after the expiration of such stay, and so long as during any such 60 day period there is not, or any such judgment or award does not involve, any material risk of the sale, forfeiture or loss of the Pledged Spare Parts or the interest of Mortgagee therein or impair the Lien of the Trust Indenture; (g) the Lien created by the Existing Security Agreement, but only on the Closing Date; and (h) any other Lien with respect to which Owner (or any Permitted Lessee) shall have provided a bond, cash collateral or other security adequate in the reasonable opinion of Mortgagee.

“Persons” or “persons” means individuals, firms, partnerships, joint ventures, trusts, trustees, Government Entities, organizations, associations, corporations, limited liability companies, government agencies, committees, departments, authorities and other bodies, corporate or incorporate, whether having distinct legal status or not, or any member of any of the same.

“Plan” means any employee benefit plan within the meaning of Section 3(3) of ERISA, or any plan within the meaning of Section 4975(e)(1) of the Code.

“Pledged Spare Parts” has the meaning set forth in clause (1) of the Granting Clause of the Trust Indenture.

“Policy” means the certificate guaranty insurance policy issued pursuant to the Policy Provider Agreement.

“Policy Fee Letter” means the fee letter, dated as of the date of the Note Purchase Agreement, from the Policy Provider to Owner and the Subordination Agent setting forth the premium for and certain other fees and expenses in connection with the Policy.

“Policy Indemnification Agreement” means the Indemnification Agreement, dated as of the date of the Note Purchase Agreement, among the Policy Provider, the Owner and the Underwriter.

“Policy Provider” means Financial Guaranty Insurance Company.

“Policy Provider Agreement” means the Insurance and Indemnity Agreement among the Subordination Agent, Owner and the Policy Provider, dated as of the Issuance Date; provided that no amendment, modification or supplement to, or substitution or replacement of, such Agreement shall be effective for purposes of any obligation of Owner, unless consented to by Owner.

“Policy Provider Default” is defined in the Intercreditor Agreement.

“Policy Provider Documents” is defined in the Intercreditor Agreement, provided that no amendment, modification or supplement to, or substitution or replacement of, any document included in such definition shall be effective for purposes of any obligation of Owner, unless consented to by Owner.

“Policy Provider Obligations” means all reimbursement and other amounts, including, without limitation, fees, expenses and indemnities due to the Policy Provider under the Policy Provider Agreement, the Policy Fee Letter or the Note Purchase Agreement.

“Premium” means (i) with respect to any Series B Equipment Note redeemed pursuant to Section 2.11 of the Trust Indenture, the following percentage of the principal amount of such Series B Equipment Note: (x) if redeemed on or after the third anniversary of the Issuance Date and before the fourth anniversary of the Issuance Date, 4%; and (y) if redeemed on or after such fourth anniversary and before the fifth anniversary of the Issuance Date, 2%; provided that no Premium shall be payable under this clause (i) in connection with a redemption of any Equipment Note made by the Owner to satisfy the Maximum Collateral Ratio, Maximum Subordinated Collateral Ratio or Minimum Rotable Ratio requirement pursuant to Section 3.1 of the Collateral Maintenance Agreement or in connection with a redemption required under Section 3.3 of the Collateral Maintenance Agreement, (ii) with respect to any Series G Equipment Note redeemed pursuant to Section 3.3 of the Collateral Maintenance Agreement prior to the third anniversary of the Issuance Date, 1% of the principal amount of such Series G Equipment Note and (iii) with respect to any Series B Equipment Note redeemed pursuant to Section 3.3 of the Collateral Maintenance Agreement (x) prior to the fourth anniversary of the

Issuance Date, 4% of the principal amount of such Series B Equipment Note or (y) on or after such fourth anniversary and before the fifth anniversary of the Issuance Date, 2% of the principal amount of such Series B Equipment Note.

“Primary Liquidity Facility” means the Revolving Credit Agreement, dated as of the Issuance Date, between the Subordination Agent, as borrower, and the Primary Liquidity Provider, provided that, for purposes of any obligation of Owner, no amendment, modification or supplement to, or substitution or replacement of, such Primary Liquidity Facility shall be effective unless consented to by Owner.

“Primary Liquidity Provider” means Morgan Stanley Bank, as “Primary Liquidity Provider” (as such term is defined in the Intercreditor Agreement).

“Propeller” includes a part, appurtenance, and accessory of a propeller.

“Prospectus Supplement” means the final Prospectus Supplement, dated May 24, 2006, to the Prospectus, dated April 10, 2006, of the Owner relating to the offering of the Pass Through Certificates.

“QIB” is defined in Section 2.08 of the Trust Indenture.

“Qualified Spare Parts” has the meaning provided in clause (1) of the Granting Clause of the Trust Indenture.

“Rating Agencies” means, collectively, at any time, and with respect to a class of Pass Through Certificates, each nationally recognized rating agency which shall have been requested by the Owner to rate such class of Pass Through Certificates and which shall then be rating such class of Pass Through Certificates. The initial Rating Agencies for each class of Pass Through Certificates will be Moody’s and Standard & Poor’s.

“Ratings Confirmation” means, with respect to any action proposed to be taken, a written confirmation from each of the Rating Agencies with respect to the applicable class of Pass Through Certificates that such action would not result in (i) a reduction of the rating for such class of Pass Through Certificates below the then current rating for such class of Pass Through Certificates (such rating, in the case of the Class G Pass Through Certificates, as determined without regard to the Policy) or (ii) a withdrawal or suspension of the rating of such class of Pass Through Certificates.

“Redemption Action” means the sending of a notice of redemption pursuant to Section 2.12 of the Trust Indenture with respect to an Optional Redemption of Equipment Notes and the deposit of funds sufficient to pay the redemption price in full (including accrued interest and Premium, if any, but excluding Break Amount, if any, which shall be deposited on or prior to the scheduled redemption date) for such Optional Redemption.

“Redemption Price” is defined in Schedule 2 to the Note Purchase Agreement.

“Reference Agency Agreement” means the Reference Agency Agreement dated as of the Issuance Date among WTC, as reference agent thereunder, the Subordination Agent and Owner.

“Reference Agent” is defined in the Reference Agency Agreement.

“Required Subordinated Holders” means the holders of a majority of the outstanding Original Amount of Series B Equipment Notes.

“Rotable” means a Qualified Spare Part that wears over time and can be repeatedly restored to a serviceable condition over a period approximating the life of the flight equipment to which it relates.

“Rotable Part” means a Spare Part or Appliance that wears over time and can be repeatedly restored to a serviceable condition over a period approximating the life of the flight equipment to which it relates.

“Rotable Ratio” shall mean a percentage determined by dividing (i) the Fair Market Value of the Rotables, as set forth in the most recent Independent Appraiser’s Certificate delivered by the Company pursuant to Article 2 of the Collateral Maintenance Agreement, as supplemented pursuant to Section 3.1 of the Collateral Maintenance Agreement, if applicable, by (ii) the aggregate principal amount of all outstanding Series G Equipment Notes minus the sum of the Cash Collateral held by the Mortgagee.

“Sales” is defined in Section 3.2 of the Collateral Maintenance Agreement.

“SEC” means the Securities and Exchange Commission of the United States, or any Government Entity succeeding to the functions of such Securities and Exchange Commission.

“Section 1110” means 11 U.S.C. Section 1110 of the Bankruptcy Code or any successor or analogous section of the federal bankruptcy law in effect from time to time.

“Section 1110 Period” means the continuous period of (i) 60 days specified in Section 1110(a)(2)(A) of the Bankruptcy Code (or such longer period, if any, agreed to under Section 1110(b) of the Bankruptcy Code), plus (ii) an additional period, if any, commencing with the trustee or debtor-in-possession in such proceeding entering into an agreement of the kind described in Section 1110(a)(2)(A) of the Bankruptcy Code and continuing until such time as such trustee or debtor-in-possession fails to perform its obligations thereunder such that the Mortgagee is entitled to take possession of the Pledged Spare Parts pursuant to the Trust Indenture.

“Secured Obligations” is defined in Section 2.06 of the Trust Indenture.

“Securities Account” is defined in Section 3.07 of the Trust Indenture.

“Securities Act” means the Securities Act of 1933, as amended.

“Securities Intermediary” is defined in Section 3.07 of the Trust Indenture.

“Security” means a “security” as defined in Section 2(l) of the Securities Act.

“Semiannual Methodology” means the Annual Methodology, excluding actions referred to in clauses (iii) and (iv) of the definition of Annual Methodology.

“Semiannual Valuation Date” is defined in Section 2.2 of the Collateral Maintenance Agreement.

“Series” means any of Series G or Series B.

“Series B” or “Series B Equipment Notes” means Equipment Notes issued under the Trust Indenture and designated as “Series B” thereunder, in the Original Amount and maturity and bearing interest as specified in Section 2.02 of the Trust Indenture.

“Series B Amount” is defined in Section 2.1 of the Note Purchase Agreement.

“Series G” or “Series G Equipment Notes” means Equipment Notes issued under the Trust Indenture and designated as “Series G” thereunder, in the Original Amount and maturity and bearing interest as specified in Section 2.02 of the Trust Indenture.

“Series G Amount” is defined in Section 2.1 of the Note Purchase Agreement.

“Serviceable Parts” means Pledged Spare Parts in condition satisfactory for incorporation in, installation on, attachment or appurtenance to or use in an Aircraft, Engine or other Qualified Spare Part.

“787 Spare Parts” means Spare Parts and Appliances first placed in service after October 22, 1994 that are appropriate for incorporation in, installation on, attachment or appurtenance to, or use in, a Boeing model 787 Aircraft or any Engine utilized on any such Aircraft.

“Spare Part” means an accessory, appurtenance, or part of an Aircraft (except an Engine or Propeller), Engine (except a Propeller), Propeller, or Appliance, that is to be installed at a later time in an Aircraft, Engine, Propeller or Appliance.

“Spare Parts Documents” has the meaning set forth in clause (6) of the Granting Clause of the Trust Indenture.

“Special Default” means (i) the failure by Owner to pay any amount of principal of or interest on any Equipment Note when due or (ii) the occurrence of any Default or Event of Default referred to in Section 5.01(v), (vi) or (vii).

“Special Valuation Date” is defined in Section 2.4 of the Collateral Maintenance Agreement.

“Standard & Poor’s” means Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc.

“Subordinated Collateral Ratio” shall mean a percentage determined by dividing (i) the aggregate unpaid Original Amount of all Equipment Notes minus the sum of the Cash Collateral held by the Securities Intermediary by (ii) the Fair Market Value of all Collateral (excluding any Cash Collateral), as set forth in the most recent Independent Appraiser’s Certificate delivered by the Owner pursuant to Article 2 of the Collateral Maintenance Agreement, as supplemented pursuant to Section 3.1 of the Collateral Maintenance Agreement, if applicable.

“Subordinated Security Provisions” is defined in Section 4.1 of the Collateral Maintenance Agreement.

“Subordination Agent” means Wilmington Trust Company, as subordination agent under the Intercreditor Agreement, or any successor thereto.

“Subordination Agent Agreements” means the Note Purchase Agreement, the Policy Provider Agreement, the Primary Liquidity Facility, the Reference Agency Agreement, the Above-Cap Liquidity Agreement and the Intercreditor Agreement.

“Tax Indemnitee” means (a) WTC and Mortgagee, (b) each separate or additional trustee appointed pursuant to the Trust Indenture, (c) each Note Holder, (d) the Policy Provider and (e) the respective successors, assigns, agents and servants of the foregoing.

“Taxes” means all license, recording, documentary, registration and other similar fees and all taxes, levies, imposts, duties, charges, assessments or withholdings of any nature whatsoever imposed by any Taxing Authority, together with any penalties, additions to tax, fines or interest thereon or additions thereto.

“Taxing Authority” means any federal, state or local government or other taxing authority in the United States, any foreign government or any political subdivision or taxing authority thereof, any international taxing authority or any territory or possession of the United States or any taxing authority thereof.

“Temporary Cash Collateral” is defined in Section 3.1(e) of the Collateral Maintenance Agreement.

“Threshold Amount” means \$2,000,000.

“Transaction Expenses” means all costs and expenses incurred by Mortgagee in connection with (a) the preparation, execution and delivery of the Operative Agreements and the recording or filing of any documents, certificates or instruments in accordance with any Operative Agreement, including, without limitation, the FAA Filed Documents and the Financing Statements, (b) the initial fee of Mortgagee under the Trust Indenture and (c) the reasonable fees and disbursements of counsel for Mortgagee and special counsel in Oklahoma City, Oklahoma, in each case, in connection with the Closing.

“Transactions” means the transactions contemplated by the Note Purchase Agreement.

“Transfer” means the transfer, sale, assignment or other conveyance of all or any interest in any property, right or interest.

“Transferee” means a person to which any Note Holder purports or intends to Transfer any or all of its right, title or interest in the Equipment Note, as described in Section 9 of the Note Purchase Agreement.

“Trust Indenture” means the Trust Indenture and Mortgage, dated as of the date of the Note Purchase Agreement, between Owner and Mortgagee.

“Trust Indenture Collateral Supplement” means a Trust Indenture and Mortgage Supplement, substantially in the form of Exhibit B to the Trust Indenture, with appropriate modifications to reflect the purpose for which it is being used.

“Trust Indenture Location Supplement” means a Trust Indenture and Mortgage Supplement, substantially in the form of Exhibit A to the Trust Indenture, with appropriate modifications to reflect the purpose for which it is being used.

“Trust Indenture Supplement” means a Trust Indenture Collateral Supplement or a Trust Indenture Location Supplement.

“Trust Supplement” means an agreement supplemental to the Basic Pass Through Trust Agreement pursuant to which (i) a separate trust is created for the benefit of the holders of the Pass Through Certificates of a class, (ii) the issuance of the Pass Through Certificates of such Class representing fractional undivided interests in such trust is authorized and (iii) the terms of the Pass Through Certificates of such class are established.

“UCC” means the Uniform Commercial Code as in effect in any applicable jurisdiction.

“Underwriter” means Morgan Stanley & Co. Incorporated.

“Underwriting Agreement” means the Underwriting Agreement, dated May 24, 2006, between the Owner and the Underwriter, providing for the sale of the Pass Through Certificates.

“United States” or “U.S.” means the United States of America; provided that for geographic purposes, “United States” means, in aggregate, the 50 states and the District of Columbia of the United States of America.

“Unserviceable Parts” means Pledged Spare Parts that are not Serviceable Parts.

“U.S. Air Carrier” means any United States air carrier that is a Citizen of the United States holding an air carrier operating certificate issued pursuant to chapter 447 of title 49

of the United States Code for aircraft capable of carrying 10 or more individuals or 6000 pounds or more of cargo, and as to which there is in force an air carrier operating certificate issued pursuant to Part 121 of the FAA Regulations, or which may operate as an air carrier by certification or otherwise under any successor or substitute provisions therefor or in the absence thereof.

“U.S. Government” means the federal government of the United States, or any instrumentality or agency thereof the obligations of which are guaranteed by the full faith and credit of the federal government of the United States.

“U.S. Government Obligations” means direct obligations (or certificates representing an ownership interest in such obligations) of the United States of America (including any agency or instrumentality thereof) for the payment of which the full faith and credit of the United States of America is pledged and which are not callable at the option of the issuer thereof.

“U.S. Person” means any Person described in Section 7701 (a)(30) of the Code.

“Valuation Dates” is defined in Section 2.4 of the Collateral Maintenance Agreement.

“Warranties” is defined in clause (2) of the Granting Clause of the Trust Indenture.

“WTC” means Wilmington Trust Company, a Delaware banking corporation, not in its capacity as Mortgagee under the Trust Indenture, but in its individual capacity.

ANNEX B - INSURANCE TRUST INDENTURE

[Intentionally omitted.]

TRUST INDENTURE AND MORTGAGE SUPPLEMENT

This TRUST INDENTURE AND MORTGAGE SUPPLEMENT NO. __, dated [_____, ____] (herein called this "Trust Indenture Supplement") of CONTINENTAL AIRLINES, INC., as Owner (the "Owner").

WITNESSETH:

WHEREAS, the Owner and Wilmington Trust Company, as Mortgagee (the "Mortgagee"), have heretofore executed and delivered a Trust Indenture and Mortgage, dated as of June 9, 2006 (the "Trust Indenture"), and terms defined in the Trust Indenture and used herein have such defined meanings unless otherwise defined herein;

WHEREAS, the Trust Indenture grants a Lien on, among other things, certain Spare Parts and Appliances to secure (subject to the provisions of the Trust Indenture), among other things, the Owner's obligations to the Note Holders and the Indenture Indemnities;

WHEREAS, the Owner has previously designated the locations at which the Pledged Spare Parts may be maintained by or on behalf of the Owner in the Trust Indenture [and in Trust Indenture Supplement No. __];

WHEREAS, the Trust Indenture [and the Trust Indenture Supplements] has [have] been duly recorded with the Federal Aviation Administration at Oklahoma City, Oklahoma, pursuant to the Act on the following date as a document or conveyance bearing the following number:

DATE OF
RECORDING

DOCUMENT OR
CONVEYANCE NO.

Trust Indenture.....

WHEREAS, the Owner, as provided in the Trust Indenture, is hereby executing and delivering to the Mortgagee this Trust Indenture Supplement for the purposes of adding locations at which the Pledged Spare Parts may be maintained by or on behalf of the Owner; and

WHEREAS, all things necessary to make this Trust Indenture Supplement the valid, binding and legal obligation of the Owner, including all proper corporate action on the part of the Owner, have been done and performed and have happened;

NOW, THEREFORE, THIS TRUST INDENTURE SUPPLEMENT WITNESSETH, that the locations listed on Schedule 1 hereto shall be Designated Locations for purposes of the Trust Indenture at which Pledged Spare Parts may be maintained by or on behalf



of the Owner, and all Pledged Spare Parts at such Designated Locations shall be subjected to the Lien of the Trust Indenture.

This Trust Indenture Supplement shall be construed as supplemental to the Trust Indenture and shall form a part thereof, and the Trust Indenture is hereby incorporated by reference herein and is hereby ratified, approved and confirmed.

THIS TRUST INDENTURE SUPPLEMENT IS DELIVERED IN THE STATE OF NEW YORK. THIS TRUST INDENTURE SUPPLEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

Delivery of an executed counterpart of a signature page to this Trust Indenture Supplement by telecopier shall be effective as delivery of an original executed counterpart of this Trust Indenture Supplement.

* * *

IN WITNESS WHEREOF, the Owner has caused this Trust Indenture Supplement to be duly executed by one of its officers, thereunto duly authorized, on the day and year first above written.

CONTINENTAL AIRLINES, INC.

By: _____

Name:

Title:

SCHEDULE I TO EXHIBIT A

TRUST INDENTURE AND MORTGAGE SUPPLEMENT

This TRUST INDENTURE AND MORTGAGE SUPPLEMENT NO. __, dated [_____, ____] (herein called this "Trust Indenture Supplement") of CONTINENTAL AIRLINES, INC., as Owner (the "Owner").

WITNESSETH:

WHEREAS, the Owner and Wilmington Trust Company, as Mortgagee (the "Mortgagee"), have heretofore executed and delivered a Trust Indenture and Mortgage, dated as of June 9, 2006 (the "Trust Indenture"), and terms defined in the Trust Indenture and used herein have such defined meanings unless otherwise defined herein;

WHEREAS, the Trust Indenture grants a Lien on, among other things, certain Spare Parts and Appliances to secure (subject to the provisions of the Trust Indenture), among other things, the Owner's obligations to the Note Holders and the Indenture Indemnities;

WHEREAS, the Trust Indenture [and the Trust Indenture Supplements] has [have] been duly recorded with the Federal Aviation Administration at Oklahoma City, Oklahoma, pursuant to the Act on the following date as a document or conveyance bearing the following number:

DATE OF RECORDING	DOCUMENT OR CONVEYANCE NO.
Trust Indenture.....	

WHEREAS, the Owner, as provided in the Trust Indenture, is hereby executing and delivering to the Mortgagee this Trust Indenture Supplement for the purposes of adding certain additional Spare Parts and Appliances to the Pledged Spare Parts; and

WHEREAS, all things necessary to make this Trust Indenture Supplement the valid, binding and legal obligation of the Owner, including all proper corporate action on the part of the Owner, have been done and performed and have happened;

NOW, THEREFORE, THIS TRUST INDENTURE SUPPLEMENT WITNESSETH, that Owner hereby confirms that the following shall be included as Qualified Spare Parts for purposes of subclause (IV) of clause (1) of the Granting Clause of the Trust Indenture and shall be subject to the Lien of the Trust Indenture to the same extent as other Qualified Spare Parts (but subject to the exclusions set forth in the Trust Indenture): all [Spare Parts and Appliances] [Rotable Parts] first placed in service after October 22, 1994 and currently owned or hereafter acquired by the Owner that are appropriate for incorporation in, installation



on, attachment or appurtenance to, or use in, a Boeing model 787 Aircraft or any Engine utilized on any such Aircraft.

TO HAVE AND TO HOLD all and singular the aforesaid property unto the Mortgagee, and its successors and assigns, in trust for the equal and proportionate benefit and security of the Note Holders and the Indenture Indemnitees, except as provided in Section 2.13 and Article III of the Trust Indenture, without any preference, distinction or priority of any one Equipment Note over any other by reason of priority of time of issue, sale, negotiation, date of maturity thereof or otherwise for any reason whatsoever, and for the uses and purposes set forth in the Trust Indenture.

This Trust Indenture Supplement shall be construed as supplemental to the Trust Indenture and shall form a part thereof, and the Trust Indenture is hereby incorporated by reference herein and is hereby ratified, approved and confirmed.

THIS TRUST INDENTURE SUPPLEMENT IS DELIVERED IN THE STATE OF NEW YORK. THIS TRUST INDENTURE SUPPLEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

Delivery of an executed counterpart of a signature page to this Trust Indenture Supplement by telecopier shall be effective as delivery of an original executed counterpart of this Trust Indenture Supplement.

* * *

IN WITNESS WHEREOF, the Owner has caused this Trust Indenture Supplement to be duly executed by one of its officers, thereunto duly authorized, on the day and year first above written.

CONTINENTAL AIRLINES, INC.

By:

Name:

Title:

DESIGNATED LOCATIONS

WAREHOUSING

<u>Location</u>	<u>Address</u>
Continental Airlines, Inc., Stores / Receiving	5840 S. Cargo Road, Cleveland, OH 44135
Continental Airlines, Inc., Stores / Receiving	Brewster Road, Building 101, Newark, NJ 07114
Continental Airlines, Inc., Stores / Receiving	17-3120 Mariner Avenue, Tiyan Barrigada, Guam 96913
Continental Airlines, Inc., Stores / Receiving	Material Services - EWA Service Road. Gate 30, Honolulu International Airport, Honolulu, HI 96819
Continental Airlines, Inc., Stores / Receiving	110 Lauhoe Place, Honolulu, HI 96819
Continental Airlines, Inc., Stores / Receiving	8401 Travelair Hangar #7, Houston, TX 77061
Continental Airlines, Inc., Stores / Receiving	7300 World Way West, Los Angeles, CA 90045
Continental Airlines, Inc., Stores / Receiving	4121 Centerport Street, Orlando, FL 32827
Continental Airlines, Inc., Morales Warehouse Kitting	4849 Wright Road, Houston, TX 77032
Continental Airlines, Inc., Parts Control	15851 Vickery Drive, Houston, TX 77032
Continental Airlines, Inc., Stores / Receiving	4849 Wright Road / Bldg B, Houston, TX 77032

MAINTENANCE

<u>Location</u>	<u>Address</u>
Continental Airlines, Inc.	Atlanta Hartsfield Intl. Airport Concourse D - 8, Atlanta, GA 30320
Continental Airlines, Inc.	Logan Intl. Airport Terminal C - A/C Dept., E. Boston, MA 02128
Continental Airlines, Inc.	5300 Riverside Drive, Cleveland, OH 44135
Continental Airlines, Inc.	Ronald Reagan Washington National Airport, Washington, DC 20001
Continental Airlines, Inc.	26360 East 103rd Avenue, Denver, CO 80249
Continental Airlines, Inc.	910 W. Airfield Drive, Ste. 500, Dallas, TX 75261
Continental Airlines, Inc.	Hangar 54, Brewster Road, Newark, NJ 07114
Continental Airlines, Inc.	50 Terminal Drive, Ft. Lauderdale, FL 33315
Continental Airlines, Inc.	Honolulu Intl. Airport, 110 Lauhoe Drive, Honolulu, HI 96819
Continental Airlines, Inc.	8437 Lockheed, Bldg. 3 Upstairs, Houston, TX 77061
Continental Airlines, Inc.	4849 Wright Road, 141-B, Hangar E, Houston, TX 77032
Continental Airlines, Inc.	15555 Vickery Drive, Houston, TX 77032
Continental Airlines, Inc.	5757 Wayne Newton Blvd.- Ticket Counter, Las Vegas, NV 89111
Continental Airlines, Inc.	7300 World Way West, Los Angeles, CA 90045
Continental Airlines, Inc.	LaGuardia Airport, Main Terminal, Flushing, NY 11371
Continental Airlines, Inc.	8855 Tradeport Drive, Orlando, FL 32827
Continental Airlines, Inc.	Miami Int'l Airport - Concourse G, Miami, FL 33122
Continental Airlines, Inc.	New Orleans Intl. Airport Bldg 1, East Access Road, Kenner, LA 70062
Continental Airlines, Inc.	O'Hare Intl. Airport, Chicago, IL 60666
Continental Airlines, Inc.	3400 Sky Harbor Blvd., Phoenix, AZ 85034
Continental Airlines, Inc.	9700 Airport Blvd. Room 222, San Antonio, TX 78216
Continental Airlines, Inc.	SEA-TAC Intl. Airport- A/C MX Dept., Seattle, WA 98158
Continental Airlines, Inc.	San Francisco Intl. Airport-S. Terminal Bldg, San Francisco, CA 94128
Continental Airlines, Inc.	18601 N. Airport Way, Ste. 207, Santa Ana, CA 92707
Continental Airlines, Inc.	Tampa Intl. Airport - Airside A, Tampa, FL 33607

MAINLINE STATIONS

<u>Location</u>	<u>Address</u>
Albuquerque Int'l Airport	2200 Sunport Blvd South East, Albuquerque, NM 87106
Anchorage Int'l Airport	5000 W. International Airport, Anchorage, AK 99502
Atlanta Int'l Airport	6000 North Terminal Drive, Atlanta, GA 30320
Austin-Bergstrom Int'l Airport	3600 Presidential Blvd, Suite 103, Austin, TX 78719
Baltimore/Washington Int'l Airport	Baltimore/Washington International Airport, Baltimore, MD 21240
Baton Rouge Metropolitan Airport	Terminal Building, Baton Rouge, LA 70807
Birmingham Int'l Airport	5900 Airport Hwy., Birmingham, AL 35212
Bradley Int'l Airport	Bradley International Airport, Windsor Locks, CT 06096
Buffalo Niagara Int'l Airport	Buffalo Niagara International Airport, East Terminal, Attn: Ticket Counter, Buffalo, NY 14225
Charleston Int'l Airport	5500 International Blvd, Ticket Counter, Charleston, SC 29418
Chicago Midway Airport	5757 S Cicero Ave, Chicago, IL
Cleveland Hopkins Int'l Airport	5300 Riverside Drive, Cleveland, OH 44135
Colorado Springs Int'l Airport	Peterson Field, 7770 Drennan Rd., Colorado Springs, CO 80916
Dallas/Ft. Worth Int'l Airport	Terminal B, Dallas/Ft. Worth, TX 75261
Daytona Beach Regional Airport	700 Terminal Drive, Daytona Beach, FL 32014
Denver Int'l Airport	8700 Pena Blvd., Room 3260, Denver, CO 80249
Detroit MetroAirport	Edward H. McNamara Terminal, Building 830, Detroit, MI 48242
Eagle/Vail Int'l Airport	0215 Eldon Wilson Rd., Gypsum, CO 81637
El Paso Int'l Airport	6701 Convair, El Paso, TX 79925
Eppley Airfield	4501 Abbot Drive, Omaha, NE 68119
Ft. Lauderdale Int'l Airport	50 Terminal Drive, Terminal 1, Ft. Lauderdale, FL 33315
George Bush Int'l Airport	Intercontinental Airport, Terminal C, Houston TX 77032
Gulfport Airport	14035 E Airport Blvd, Gulfport, MS 39503
Gunnison Airport	711 N. Rio Grande, Gunnison, CO 81230
Honolulu Int'l Airport	300 Rogers Blvd. #11, Honolulu, HI 96819
Indianapolis Int'l Airport	2500 South High School Rd. Suite 33, Indianapolis, IN 46241
Jacksonville Int'l Airport	2400 Yankee Clipper Drive, Suite 108, Jacksonville, FL 32218
JFK Int'l Airport	Terminal One Ticket Office, Jamaica, NY 11430
John Wayne Airport	18601 N. Airport Way, Ste. 207, Santa Ana, CA 92707
Kahului Int'l Airport	Kahului Int'l Airport, Kahului, HI 93732
Kansas City Int'l Airport	52 Beirut Circle, Kansas City, MO 64153
La Guardia Int'l Airport	Central Terminal Building, Flushing, NY 11371
Lambert Field	10701 Lambert Int'l Blvd., St. Louis, MO 63145

MAINLINE STATIONS

<u>Location</u>	<u>Address</u>
Logan Int'l Airport	Logan International Airport, 300 Terminal C, East Boston, MA 02128
Los Angeles Int'l Airport	600 World Way, Los Angeles, CA 90045
Manchester Airport	Manchester Airport, Airport Road, Manchester, NH 03103
McCarran Int'l Airport	5757 Wayne Newton Blvd., Las Vegas, NV 89111
Memphis Int'l Airport	2491 Winchester, Memphis, TN 38116
Miami Int'l Airport	Miami International Airport, Concourse G - 3rd Fl., Miami, FL 33159
Miller Int'l Airport	2500 South Bicentennial Blvd, Suite 101, McAllen, TX 78503
Minneapolis/St.Paul Int'l Airport	4300 Glumack Drive, Blue Concourse, St. Paul, MN 55111
Montrose County Airport	2100 Airport Road, Suite 104, Montrose, CO 81401
Myrtle Beach Int'l Airport	1100 Jetport Rd., Myrtle Beach, SC 29577
Nashville Metropolitan Airport	1 Terminal Dr, Suite 329, Nashville, TN 37214
New Orleans Int'l Airport	900 Airline Hwy., Kenner, LA 70061
Newark Liberty Int'l Airport	Newark Liberty Airport Terminal C, Newark, NJ 07114
Norfolk Int'l Airport	2200 Norview Avenue, Norfolk, VA 23518
O'Hare Int'l Airport	O'Hare International Airport, Chicago, IL 60666
Oakland Int'l Airport	1 Airport Drive, Oakland, CA 94621
Ontario Int'l Airport	2900 E. Airport Dr., Room 1464, Ontario, CA 91761
Orlando Int'l Airport	9247 Airport Blvd, Orlando, FL 32827
Palm Beach Int'l Airport	1000 PBIA, Box #114, West Palm Beach, FL 33406
Pensacola Int'l Airport	2430 Airport Blvd., Pensacola, FL 32504
Philadelphia Int'l Airport	Philadelphia International Airport, Concourse D, Philadelphia, PA 19153
Piedmont Triad Int'l Airport	6415 Airport Parkway, Greensboro, NC 27409
Pittsburgh Int'l Airport	Pittsburgh International Airport, Main Terminal, Pittsburgh, PA 15231
Port Columbus Int'l Airport	4600 International Gateway, Columbus, OH 43219
Portland Int'l Airport	7000 NE Airport Way, Portland, OR 97218
Raleigh Durham Int'l. Airport.	1035 Cargo Rd, Raleigh NC 27623
Reno Tahoe Int'l Airport	2001 East Plumb Lane, Reno, NV 89502
Sacramento Metropolitan Airport	6850 Airport Boulevard, Sacramento, CA 95837
Salt Lake Int'l Airport	776 Terminal Rd., Salt Lake City, UT 84122
San Antonio Int'l Airport	9700 Airport Blvd., San Antonio, TX 78216
San Diego Int'l Airport	3707 North Harbor Drive, Suite 115, San Diego, CA 92101
San Francisco Int'l Airport	South Terminal Building Tkt Counter Level, San Francisco, CA 94128
San Jose Int'l Airport	1661 Airport Blvd, Terminal C, San Jose, CA 95110
Sarasota/Bradenton Airport	6008 Airport Circle, Sarasota, FL 34243

MAINLINE STATIONS

<u>Location</u>	<u>Address</u>
Savannah Int'l Airport	424 Airways Ave, Savannah, GA 31408
Seattle-Tacoma Int'l Airport	17801 Pacific Highway South, Seattle, WA 98158
Sky Harbor Int'l Airport	3800 Sky Harbor Blvd., Phoenix, AZ 85034
Southwest Florida Int'l Airport	16000 Chamberlin Parkway, Ft. Myers, FL 33913
Tampa Int'l Airport	5500 West Spruce St., Tampa, FL 33607
Theodore Francis Green Airport	T. F. Green State Airport, Post Road, Warwick, RI 02886
Tucson Int'l Airport	7005 South Plumer Ave., Tucson, AZ 85706
Tulsa Int'l Airport	7777 East Apache, Tulsa, OK 74115
Washington Dulles Int'l Airport	Main Ticket Counter, Washington, DC 20041
Washington National Airport	Ronald Reagan Washington National Airport, Terminal B, Washington, DC 20001
Will Rogers World Airport	7100 Terminal Dr., Oklahoma City, OK 73159
Yampa Valley Regional Airport	11005 Routt County Rd. 51A, Hayden, CO 81639

REPAIR SUPPLIERS

<u>Supplier</u>	<u>Location</u>
4 Flight Industries	2057 S Grove Avenue, Ontario, CA 91761
AAR Hermetic	100 Corporate Drive, Holtsville, NY 11742
Acme Electric Corporation	528 West 21st Street, Tempe, AZ 85282
Adams Rite Aerospace Inc	4141 N Palm St, Fullerton, CA 92835
Aeronca Inc	2320 Wedekind Drive, Middletown, OH 45042
Aerospace Interiors Inc	419 Van Molan, Houston, TX 77022
Ail Systems Inc	455 Commack Road, Deer Park, NY 11729
Air Cruisers Company	1740 Highway 34 North, Wall Township, NJ 7719
Air Cruisers Company	15556 Dupont Avenue Building B, Chino, CA 91710
Airbase Services Inc	902 Avenue T, Grand Prairie, TX 75050
Allen Aircraft Products Inc	6168 Woodbine Avenue, Ravenna, OH 44266
American Aerospace Corp	1301 Saratoga St., Delano, FL 32724
American Eurocopter Llc	2701 Forum Drive, Grand Prairie, TX 75053-4005
Ameron Global Product Support	1350-2 Lincoln Avenue, Holbrook, NY 11741
Ametek Aerospace	Aerospace & Power Inst., 50 Fordham Road, Wilmington, MA 1887
Ametek Aerospace	4333 Harbour Point Blvd, Sw, Suite A, Mukilteo, WA 98275
Ametek Aerospace	1644 Whittier Ave., Costa Mesa, CA 92627
Applied Aerodynamics Inc	2265 Valley Branch Ln, Dallas, TX 75234
Argo-Tech Corporation	671 West 17th Street, Costa Mesa, CA 92627
Autronics Corporation	12701 Schabarum Avenue, Irwindale, CA 91706
Aviall Battery Shop	2139 Airport Rd, Waterford, MI 48327
Aviall Services Inc	8210 Haskell Avenue, Van Nuys, CA 91406
Aviall Services Inc	8305 B Telephone Rd, Houston, TX 77061
Aviall Services Inc	2 Cranberry Rd., Carlstadt, NJ 07072
Avox Systems Inc.	225 Erie St., Lancaster, NY 14086-9502
Av-Ox, Inc	6734 Valjean Avenue, Van Nuys, CA 91406
Av-Ox, Inc	1812 Production Court, Louisville, KY 40299
Avtech Corp	3400 Wallingford Avenue N, Seattle, WA 98103
BAE Systems	Dallas Service Center, 3131 Story Rd. West, Irving, TX 75038
BAE Systems Controls, Inc	2000 Taylor Street, Dock 1, Fort Wayne, IN 46802
Barfield Inc	4101 N.W. 29th Street, Miami, FL 33142
Barry Controls Aerospace	4510 Van Owen Street, Burbank, CA 91505
BE Aerospace	10800 Pflumm Road, Lenexa, KS 66215
BE Aerospace ISG	3355 E. Lapalma Avenue Repair Division, Anaheim, CA 92806
BF Goodrich Aircraft	Repairs/Cust Service, 100 Panton Road, Vergennes, VT 05491
BF Goodrich Wheel/Tire/ Brakes	17 N Edgeboro Rd, East Brunswick, NJ 08816
Boeing Company Airplane Div	Spares Distribution Center, Repair And Overhaul Area, 2201 S. 142nd St., Door W10, Seatac, WA 98165
Boeing Company Airplane Div	M/S 34-02/Col D4, 2201 S. 142nd St. Door W10, Seatac, WA 98168
Boeing Company Airplane Div	Doors 2 And 7 Bfe, Spe, Sfe, 833 Houser Way North, Renton, WA 98056
Boeing Company Airplane Div	The Boeing Company Arsc, PO Box 808, Lacrosse Road, Building #2, Melbourne, AR, 72556

REPAIR SUPPLIERS

<u>Supplier</u>	<u>Location</u>
Boeing Company Airplane Div	The Boeing Co Wichita Div, 3801 S. Oliver, Building 1-198D, Wichita, KS 67277-2207
Boeing Long Beach Division	910 E. 236th St. Mail Code 182/65, Long Beach, CA 90801
Carleton Technologies Inc	10 Cobham Drive, Orchard Park, NY 14127
CFAN	1000 Technology Way, San Marcos, TX 78666
Circle Seal Corporation	Return Materials, 2301 Wardlow Circle, Corona, CA 92880
Continental Airlines	Interior Shop(Wright Rd), 4461 Wright Rd, Houston, TX 77205
Continental Airlines	Orlando Intl Airport, 5410 Bear Rd, Suite 300, Orlando, FL 32827
Continental Airlines, Inc.	Electric Shop, 8433 Lockheed Bldg 4, Houston, TX 77061
Continental Airlines, Inc.	Sheetmetal Shop, Bldg 8, 8402 Travelair, Houston, TX 77061
Continental Airlines, Inc.	Houston Hobby Seat Shop, 8401 Travelair, Houston, TX 77061
Crane Co Hydro-Aire Division	3000 Winona Avenue, Burbank, CA 91503
Curtiss-Wright Flight Sys	201 Old Boiling Springs Rd., Dock C, Shelby, NC 28152
Dayton Granger Aviation Inc	3299 Sw 9th Ave, Ft Lauderdale, FL 33315-3026
Driessen Als Inc	10781 Forbes Avenue, Garden Grove, CA 92843
Eaton Aeroquip Inc	PO Box 819, Meadowbrook Road, Toccoa, GA 30577
Eaton Aerospace	5353 Highland Drive, Jackson, MS 39206
Eaton Aerospace Llc	3675 Patterson Avenue S.E., Grand Rapids, MI 49512
Eaton Corporation	Pressure Sensor Division, 15 Durante Avenue, Bethel, CT 06801
Eaton Corporation	Sterer Products, 4690 Colorado Boulevard, Los Angeles, CA 90039
Edo Corporation	Fiber-Science Division, 2645 South 300 West, Salt Lake City, UT 84115
EFSS Aerospace Inc 643247	24910 Avenue Tibbetts, Valencia, CA 91355
Eldec Corporation	16620 13Th Avenue West, Lynnwood, WA 98037-8597
Electronic Cable Specialists	5300 W Franklin Drive, Franklin, WI 53132-8642
Envirovac Inc	1260 Turret Drive, Rockford, IL 61115
Fadec International	2000 Taylor St Fort Wayne, IN 46801
Fairchild Controls Corp	540 Highland Street, Frederick, MD 21701
Fortner Engineering &	918 Thompson Avenue, Glendale, CA 91201-2079
Fr-Hitemp Ltd	11155 East 51st Avenue, Denver, CO 80239
Frisby Aerospace, Inc	4520 Hampton Rd, Clemmons, NC 27012
Gables Engineering Inc	247 Greco Avenue, Coral Gables, FL 33146
GE Engine Services Dallas	9311 Reeves St, Dallas, TX 75235
GE Engine Services, Inc	C/O Ametek Aerospace, 50 Fordham Road, Wilmington, MA 01887
GE Engine Services, Inc	1200 Jaybird Road, Peebles, OH 45660
GE Engine Services, Inc	Amtec Accessories, Llc., 3035 N.W. 40th Street, Miami, FL 33142
GE Engine Services, Inc	Strother Field Industrial Park, Po Box 797, Arkansas City, KS 67005
GE Engine Services, Inc	C/O Honeywell Intl Inc, 1 Cliff Garrett Dr, Anniston, AL 36201
GE Engine Services, Inc	C/O Unison Industries, 5345 State Hwy 12, Norwich, NY 13815
GE Engine Services, Inc	C/O H&L Accessory Inc, 2824 Old Woodruff Rd, Greer, SC 29651

REPAIR SUPPLIERS

<u>Supplier</u>	<u>Location</u>
GE Engine Services, Inc	C/O Grand Prairie Accessory, 1038 Santerre Drive, Grand Prairie, TX 75050
GE Engine Services, Inc	C/O Triumph Thermal Systems, 200 Railroad Street, Forest, OH 45843
GE Engine Services, Inc	201 West Crescentville Rd., Cincinnati, OH 45246
GE Engine Services, Inc	C/O Argo-Tech Corp, 204 South Hindry Ave, Inglewood, CA 90301
GE Engine Services, Inc	C/O Unison Industries, 7575 Baymeadows Way, Jacksonville, FL 32256
GE On Wing Support Inc	600 East Dallas Rd, Ste 300, Grapevine, TX 76051
General Dynamics Ots, Inc.	9845 Willows Rd. Ne, Building 97A, Redmond, WA 98052
General Electric-Aemc Strother	Strother Field Industrial Park, Arkansas City, KS 67005
Gkn Aerospace Chem-Tronics Inc	1150 W. Bradley, El Cajon, CA 92021
Goodrich	2604 Hwy 20 North, Jamestown, ND 58401
Goodrich Aerostructures	499 Marina Parkway, Chula Vista, CA 91910
Goodrich Corporation	7100 Intermodal Dr, Louisville, KY 40258
Goodrich Corporation	2403 Walnut Ridge, Dallas, TX 75229
Goodrich Corporation	9151 King Arthur Drive, Dallas, TX 75247
Goodrich Corporation	129 Fairfield St, Oldsmar, FL 34677
Goodrich Corporation	Landing Gear Division, 3201 N W. 167th St, Opa Lacka, FL 33056 4253
Goodrich Corporation	Stringtown Rd., Hc75, Union, WV 24983
Goodrich Corporation	30 Van Nostrand Avenue, Englewood, NJ 07631-4396
Goodrich Corporation	Foley Service Center, 1300 West Fern Avenue, Foley, AL 36536
Goodrich Corporation	3405 So 5th Street, Phoenix, AZ 85040
Goodrich Corporation	Everett Service Center, 3100 112th Street Sw, Everett, WA 98204-3524
Goodrich Corporation	1275 N. Newport Road, Colorado Springs, CO 80916-2779
Goodrich Pump & Engine Control	Talcott Road, West Hartford, CT 06110
Grand Prairie Accessory Svcs	1038 Santerre Drive, Grand Prairie, TX 75050
Hamilton Sundstrand	3601 Flamingo, Miramar, FL 33027
Hamilton Sundstrand	Rockford Repair Station, 4747 Harrison Road, Rockford, IL 61125-7002
Hamilton Sundstrand	4400 Ruffin Road, PO Box 85757, San Diego, CA 92138
Hamilton Sundstrand	18008B N. Black Canyon Highway, Phoenix, AZ 85023
Hamilton Sundstrand	3601 Flamingo Rd, Miramar, FL 33027
Hamilton Sundstrand	Sundstrand Aerospace, 2421 11th Street, Rockford, IL 61104
Hamilton Sundstrand Corp	1 Hamilton Rd. Doc W. Windsor Locks, CT 06096
Hawker Pacific Inc	11310 Sherman Way, Sun Valley, CA 91352
Heath Tecna Interior Spares	3225 Woburn Street, Bellingham, WA 98226
Honeywell	Trade-In Credits & New LRU, Returns, Redmond, WA 98052
Honeywell Inc	7825 Ridgepoint Dr., Irving, TX 75063
Honeywell Inc	1830 Industrial Avenue, Wichita, KS 67216
Honeywell Inc	4150 Lind Ave S W, Renton, WA 98055
Honeywell Inc	8840 Evergreen Blvd., Coon Rapids, MN 55433-6040
Honeywell International Inc	1944 E. Sky Harbor Circle, Phoenix, AZ 85034

REPAIR SUPPLIERS

<u>Supplier</u>	<u>Location</u>
Honeywell International Inc	R & O Receiving, R & O Receiving, Tempe, AZ 85284
Honeywell International Inc	Courter Operation, 375 North Lake Street, Boyne City, MI 49712
Honeywell International Inc	1730 No Topping, Kansas City, MO 64120
Honeywell International Inc	964 Postal Road, Allentown, PA 18103
Honeywell International Inc	6930 N. Lakewood, Tulsa, OK 74117
Honeywell International Inc	4150 Lind Ave S W, Renton, WA 98055
Honeywell International Inc	1401 W. Cypress Creek Rd, Ft. Lauderdale, FL 33309
Honeywell International Inc	11100 N Oracle Rd, Tucson, AZ 85740-8001
Honeywell International Inc	1 Cliff Garrett Drive, Anniston, AL 36202
Honeywell International Inc	Engines & Systems -Torrance, 18825 Van Ness Ave., Torrance, CA 90504
Honeywell/Grimes	Product Support Group, 240 Twain Ave, Urbana, OH 43078
Hoover Industries	7260 N.W. 68th Street, Miami, FL 33166
Hr Textron Inc	25200 West Rye Can Rd, Valencia, CA 91355
I T T Aerospace Controls	Repair And Overhaul, 28150 Industry Drive, Valencia, CA 91355
Iacobucci U.S.A.	35 James Way, Eatontown, NJ 07724
In Eros Corporation	1530 Glenn Curtiss St., Carson, CA 90746
Intech Aerospace Services	1428 N Sam Houston Pkwy E, Suite 122, Houston, TX 77073
Intech Aerospace Services	1428 N Sam Houston Pkwy E, Suite 150, Houston, TX 77032-2960
Intertechnique Svcs America	8050 W. Fairlane Avenue, Milwaukee, WI 53223
Ipeco Inc	2275 Jefferson Street, Torrance, CA 90501
Island Equipment Co	Route 2A, Agat, Guam, 96915
Israel Aircraft Ind Ltd	Iai C/O Dhl Danzas Air & Ocean, Building #89 Jfk Int'L Airport, Jamaica, NY 11600
Jamco America	1018 80th St Sw, Everett, WA 98203
Kaiser Aerospace & Electronics	17000 S Red Hill Avenue, Irvine, CA 92614
Kavlico Corporation	14501 Los Angeles Ave., Moorpark, CA 93021
Kidde Aerospace	4200 Airport Dr, Nw Bldg. B, Wilson, NC 27896-9643
Kollsman Instruments	220 Daniel Webster Hwy, Merrimack, NH 03054
Kps N.A. Inc	500-D Radar Road, Greensboro, NC 27410
Kulite Semiconductor Prod.	One Willow Tree Road, Leonia, NJ 07605
L3 Communications Aviation	6000 Fruitville Road, Sarasota, FL 34232-6414
L3 Communications Avionics Sys.	5250 N.W 33 Avenue, Ft Lauderdale, FL 33309
Leach Corp	6900 Orangethorpe Ave, Buena Park, CA 90622-5032
Limco-Airepair, Inc	5304 S. Lawton Ave., Tulsa, OK 74107
Matsushita Avionics Systems	1405 South Beltline Rd #300, Coppell, TX 75019
Med-Air	23610 N. 20 Ave., Suite 10, Phoenix, AZ 85027
Meggitt Safety Systems, Inc	1915 Voyager Avenue, Simi Valley, CA 93063-3349
Messier Services	America, Inc., 45360 Severn Way, Sterling, VA 20166-8914
Messier-Bugatti Systems Inc	7505 Hardeson Road, Suite 100, Everett, WA 98203
Middle River Aircraft Sys	103 Chesapeake Park Plaza, Baltimore, MD 21220
Miltope Corp	500 Richardson Road South, Hope Hull, AL 36043
Monogram Sanitation	1500 Glenn Curtiss St., Carson, CA 90746

REPAIR SUPPLIERS

Supplier	Location
Moog Inc	2268 South 3270 West, Salt Lake City, UT 84119
Moog Inc	Aircraft Group, Plant 24 Receiving, Seneca & Jamison Rd., East Aurora, NY 14052
Mpc Products Corp	5600 W Jarvis Ave., Niles, IL 60714
Nabtesco Aerospace Inc	17770 N.E. 78th Place, Redmond, WA 98052
Nordam Group Inc	11200 East Pine Street, Tulsa, OK 74116
Nordam Group Inc	7018 N. Lakewood, Tulsa, OK 74117
Nordam-Texas	5101 Blue Mound Rd, Ft. Worth, TX 76106
North American Airlines	Bld 75, Room 249, Jfk International Airport, Jamaica, NY 11430
Northrop Grumman, Litton	21050 Burbank Blvd, Woodland Hills, CA 91367
Oeco Llc	4607 S.E. International Way, Milwaukie, OR 97222
P L Porter Controls, Inc	6355 Desoto, Woodland Hills, CA 91367
Pacific Scientific	Electro Kinetics Div, 6382 Rose Lane, Carpinteria, CA 93013
Pacific Scientific	2156 W Northwest Hwy, Suite 314, Dallas, TX 75220
Pacific Scientific	11700 Nw 102nd Rd # 6, Miami, FL 33178
Page Aerospace	Suite 110, 22121 17th Ave S.E., Bothell, WA 98021-4417
Pall Aeropower Corp	Cage Code 60047, New Port Richey, FL 34654-5198
Panasonic Avionics Corp	22333 29th Drive S.E., Bothell, WA 98021
Parker Hannifin	Parker Hannifin, 2010 Waldrep Ind Blvd, Dublin, GA 31021
Parker Hannifin	2220 Palmer Ave., Kalamazoo, MI 49001 4165
Parker Hannifin Corp	Gull Electronics Sys. Div, 300 Marcus Boulevard, Smithtown, NY 11787
Parker Hannifin Corp	14300 Alton Parkway, Irvine, CA 92618
Parker Hannifin Corp	Customer Support, 16666 Von Karman Avenue, Irvine, CA 92606 4917
Pneudraulics	8575 Helms, Rancho Cucamonga, CA 91730
Ppg Industries Inc	1719 Highway 72 East, Huntsville, AL 35811
Premium Aircraft Interior	Kent North Corporate Park, 8011 South 187th Street, Building G, Kent, WA 98032
Pti Technologies, Inc.	501 Del Norte Blvd, Oxnard, CA 93030
Radiant Power Corp	6416 Parkland Drive, Ste B, Sarasota, FL 34243
Rockwell Collins	7235 Corporate Center Dr., #E, Miami, FL 33126
Rockwell Collins	15222 Del Amo, Tustin, CA 92780
Rockwell Collins Avionics	5159 Southridge Parkway, Atlanta, GA 30349
Rockwell Collins Avionics	2051 Airport Road, Wichita, KS 67209 1949
Rockwell Collins Avionics	8304 Esters Blvd, Suite 890, Irving, TX 75062-2209
Rockwell Collins Avionics	620 Naches Ave Sw, Renton, WA 98055
Rockwell Collins Avionics	400 Collins Road N.E., Cedar Rapids, IA 52498
Rogerson Kratos	16940 Von Karman, Irvine, CA 92606
Rosemount Aerospace Inc	1256 Trapp Road, Eagan, MN 55121-1217
Rosemount Aerospace Inc	14300 Judicial Road, Burnsville, MN 55306
Sargent Aerospace, Inc.	12796 Nw 107Th Place, Miami, FL 33178
Scott Aviation	225 Erie Street, Service Department, Lancaster, NY 14086
Senior Flexonics Inc	Metal Belows Division, 1075 Providence Highway, Sharon, MA 02067
Shaw Aero Devices Inc	3580 Shaw Blvd., Naples, FL 34117

REPAIR SUPPLIERS

Supplier	Location
Sicma Aero Seat Services, Inc	22030 20th Ave. Se Ste 102, Bothell, WA 98021
Skyway Communication Holding	Aviation Division, 1701 West Northwest Highway, Grapevine, TX 76051
Smiths Aerospace Activation	1700 Business Ctr Dr, Duarte, CA 91010
Smiths Aerospace Acuation	2720 W Washington Ave, Yakima, WA 98909
Smiths Aerospace Electronic	23695 Via Del Rio, Yorba Linda, CA 92887
Smiths Industries	14100 Roosevelt Blvd. Dock B, Clearwater, FL 33762-3805
Smiths Industries	PO Box 5389, 14180 Roosevelt Blvd, Clearwater, FL. 33518
Smiths Industries	Aerospace & Defense Sys Inc, 740 East National Road, Vandalia, OH 45377-3000
Smiths Industries	3290 Patterson Ave., Grand Rapids, MI 49512-1991
Smiths Industries Acuation Sys	110 Algonquin Parkway, Ce. Com, Whippany, NJ 07981
Sonico Inc	Bldg 408, Moses Lake, WA 98837
Soundair	1826 Bickford Avenue, Snohomish, WA 98290
Southern Aeroparts, Inc.	10827 E. Marshall Street, Suite 101, Tulsa, OK 74116
Spectra Lux Corporation	12335 134th Ct. N.E., Redmond, WA 98052
Spirit Aerosystems, Inc.	3801 S. Oliver, Wichita, KS 67277-2207
Sunrise Avionics Inc	511 W Guadalupe #24, Gilbert, AZ 85233
Telair International	1950 Williams Drive, Oxnard, CA 93030
Teledyne Controls	12333 West Olympic Boulevard, Los Angeles, CA 90064
Thales Avionics, Inc.	641 Industry Drive, Seattle, WA 98188
Transdigital Comm Corporation	601 Lunar Avenue, Brea, CA 92821
Triumph Airborne Structures	115 Centennial Drive, Hot Springs, AR 71913
Triumph Thermal Systems Inc	200 Railroad Street, Forest, OH 45843
Tyco Electronics	Div.-Cii Technologies, 175 North Diamond Street, Mansfield, OH 44902
Unicorp Systems Inc	2625 West 40th Place, Tulsa, OK 74107-5417
Unison Industries	5345 State Hwy 12, Norwich, NY 13815
Unison Industries	7575 Bay Meadows Way, Jacksonville, FL 32256
United Instruments Inc	3625 Comotara Avenue, Oem Warranty Usa Repair Center, Wichita, KS 67226
US Air Inc	Greater Pittsburg Apt, Pittsburg, PA 15231
Vibro-Metr Inc	10 Ammon Drve, Manchester, NH 03103
West Coast Specialties Inc	3290 146th Place Se, Bellevue, WA 98007
Whittaker Controls Inc	12838 Saticoy St, North Hollywood, CA 91605
Woodward Governor Co	1 Woodward Way, Rockton, IL 61072

COLLATERAL MAINTENANCE AGREEMENT

AMONG

CONTINENTAL AIRLINES, INC.,

FINANCIAL GUARANTY INSURANCE COMPANY,

as Policy Provider,

AND

WILMINGTON TRUST COMPANY,

as Mortgagee

dated as of June 9, 2006

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COLLATERAL MAINTENANCE AGREEMENT

COLLATERAL MAINTENANCE AGREEMENT, dated as of June 9, 2006 (this "Agreement"), among CONTINENTAL AIRLINES, INC., a Delaware corporation (the "Company"), FINANCIAL GUARANTY INSURANCE COMPANY, a New York stock insurance company (the "Policy Provider"), and WILMINGTON TRUST COMPANY, as Mortgagee (the "Mortgagee") under the Trust Indenture and Mortgage, dated as of the date hereof, between the Company and the Mortgagee (the "Trust Indenture").

R E C I T A L S

WHEREAS, the Company, and the Mortgagee have entered into the Trust Indenture providing for the issuance of \$320,000,000 aggregate principal amount of Equipment Notes, and the Policy Provider has issued the Policy under which the Subordination Agent may make drawings to make certain payments with respect to the Series G Equipment Notes for the benefit of Class G Pass Through Certificateholders;

WHEREAS, in order to secure the payment of the principal amount of and interest on the Equipment Notes and all other Secured Obligations under the Trust Indenture, the Company has granted a security interest in the Collateral pursuant to the Trust Indenture; and

WHEREAS, the Company, the Policy Provider and the Mortgagee wish to set forth herein certain additional agreements with respect to the Collateral.

NOW, THEREFORE, in consideration of the premises and other benefits to the Company, the receipt and sufficiency of which are hereby acknowledged, the Company, the Policy Provider and the Mortgagee agree as follows:

ARTICLE 1

DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1 Definitions. Capitalized terms used above or hereinafter and not otherwise defined herein shall have the meanings ascribed to such terms in the Trust Indenture.

Section 1.2 Rules of Construction. The rules of construction for this Agreement are set forth under "General Provisions" in Annex A to the Trust Indenture.

ARTICLE 2

REPORTS REGARDING THE COLLATERAL

Section 2.1 Annual Appraisal. So long as the Equipment Notes are outstanding, by the tenth Business Day of October in 2006 and by the tenth Business Day of October of each year thereafter, the Company shall furnish the Policy Provider, the Mortgagee and the Rating

Agencies an Independent Appraiser's Certificate signed by an Independent Appraiser, dated as of a date between the preceding September 25 and October 10 (inclusive). Each such Independent Appraiser's Certificate shall state, in the opinion of such Independent Appraiser, based upon use of the Annual Methodology, the following:

- (a) the Fair Market Value of the Collateral (excluding any Cash Collateral and, for the avoidance of doubt, any Excluded Parts) as of a specified date within 45 days (or, if an Independent Appraiser's Certificate signed by such Independent Appraiser has not previously been delivered to the Policy Provider pursuant to this Agreement or in the Prospectus Supplement, 60 days) (the "Permitted Days") preceding the date of such Certificate (the "Annual Valuation Date");
- (b) the Fair Market Value of the Rotables and of the Expendables included in the Collateral as of the applicable Annual Valuation Date (and shall separately state the quantity of such Rotables and Expendables); and
- (c) the Fair Market Value of the Serviceable Parts and the Unserviceable Parts included in the Collateral as of the applicable Annual Valuation Date.

Each annual Independent Appraiser's Certificate shall be accompanied by an Appraisal Compliance Report determined using data as of the applicable Annual Valuation Date. The Appraisal Compliance Report shall set forth the calculation of the Collateral Ratio, the Subordinated Collateral Ratio and the Rotable Ratio based on the Fair Market Value of the Collateral and the Rotables set forth in such Independent Appraiser's Certificate, the Fair Market Value of Cash Collateral held by the Collateral Agent, the principal amount of the Series G Equipment Notes outstanding and the principal amount of the Series B Equipment Notes outstanding, each as of the applicable Annual Valuation Date. Upon written request of the Policy Provider given to the Company within twenty Business Days after delivery to the Policy Provider of an annual Independent Appraiser's Certificate under this Section 2.1, the Company shall furnish to the Policy Provider (with a copy to the Mortgagee) a recent Parts Inventory Report and a report showing the percentage of the total cost of the Pledged Spare Parts located at each Company facility (determined, with respect to each model of Spare Part or Appliance included in the Pledged Spare Parts, using the average cost of the Pledged Spare Parts of such model multiplied by the quantity of such model included in the Pledged Spare Parts) as of the same date as the date of such Parts Inventory Report.

Section 2.2 Semiannual Appraisal. So long as the Equipment Notes are outstanding, by the tenth Business Day of April in 2007 and by the tenth Business Day of April in each year thereafter, the Company shall furnish the Policy Provider, the Mortgagee and the Rating Agencies an Independent Appraiser's Certificate signed by an Independent Appraiser, dated as of a date between the preceding March 25 and April 10 (inclusive). Each such semiannual Independent Appraiser's Certificate shall state, in the opinion of such Independent Appraiser, based upon the use of the Semiannual Methodology, the following:

- (a) the Fair Market Value of the Collateral (excluding any Cash Collateral and, for the avoidance of doubt, any Excluded Parts) as of a specified date within the
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Permitted Days preceding the date of such Certificate (the “Semiannual Valuation Date”);

- (b) the Fair Market Value of the Rotables and of the Expendables included in the Collateral as of the applicable Semiannual Valuation Date (and shall separately state the quantity of such Rotables and Expendables); and
- (c) the Fair Market Value of the Serviceable Parts and the Unserviceable Parts included in the Collateral as of the applicable Semiannual Valuation Date.

Each semiannual Independent Appraiser’s Certificate shall be accompanied by an Appraisal Compliance Report determined using data as of the applicable Semiannual Valuation Date. The Appraisal Compliance Report provided with the semiannual Independent Appraiser’s Certificate shall set forth the calculation of the Collateral Ratio, the Subordinated Collateral Ratio and the Rotable Ratio based on the Fair Market Value of the Collateral and Rotables set forth in such Independent Appraiser’s Certificate, the Fair Market Value of Cash Collateral held by the Collateral Agent, the principal amount of the Series G Equipment Notes outstanding and the principal amount of the Series B Equipment Notes outstanding, each as of the applicable Semiannual Valuation Date.

Section 2.3 Quarterly Reports. So long as the Equipment Notes are outstanding, within ten Business Days after each January 1 and July 1, commencing with January 1, 2007, the Company shall furnish the Policy Provider and the Trustee a Nonappraisal Compliance Report determined as of such January 1 or July 1, as applicable, or any date during such ten Business Day period thereafter.

Section 2.4 Special Reports. The Policy Provider (or, if a Policy Provider Default has occurred and is continuing, the Mortgagee at the direction of the Controlling Party) may (i) if the Company defaults in any of its obligations with respect to indebtedness of the Company in an outstanding principal amount greater than \$100,000,000 which results in the acceleration of the Company’s obligation to pay such indebtedness in full prior to its stated final maturity date, at any time prior to the payment of such indebtedness or the reversal of such acceleration, or (ii) if an Event of Default occurs, at any time while such Event of Default is continuing, request by written notice to the Company that the Company furnish to the Policy Provider (with copies to the Mortgagee and the Rating Agencies) a special Independent Appraiser’s Certificate. Any such special Independent Appraiser’s Certificate shall state, in the opinion of such Independent Appraiser, based upon use of the Annual Methodology, the following:

- (a) the Fair Market Value of the Collateral (excluding any Cash Collateral and, for the avoidance of doubt, any Excluded Parts) as of a specified date within the Permitted Days preceding the date of such Certificate (the “Special Valuation Date” and, together with each Annual Valuation Date and Semiannual Valuation Date, the “Valuation Dates”);
 - (b) the Fair Market Value of the Rotables and of the Expendables included in the Collateral as of the applicable Special Valuation Date (and shall separately state the quantity of such Rotables and Expendables); and
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- (c) the Fair Market Value of the Serviceable Parts and the Unserviceable Parts included in the Collateral as of the applicable Special Valuation Date.

The Company shall furnish to the Policy Provider (with copies to the Mortgagee and the Rating Agencies) any such requested special Independent Appraiser's Certificate reasonably promptly after receipt of such request. Notwithstanding the foregoing, the Company shall not be obligated (i) to furnish any Independent Appraiser's Certificate under this Section 2.4 during the Section 1110 Period or (ii) to deliver pursuant to this Article 2 an Independent Appraiser's Certificate more than twice in any six month period. Upon written request of the Policy Provider given to the Company within twenty Business Days after delivery to the Policy Provider of a special Independent Appraiser's Certificate under this Section 2.4, the Company shall furnish to the Policy Provider (with copies to the Mortgagee and the Rating Agencies) a recent Parts Inventory Report and a report showing the percentage of the total cost of the Pledged Spare Parts located at each Company facility (determined as provided in the last sentence of Section 2.1) as of the same date as the date of such Parts Inventory Report.

Section 2.5 Information from the Mortgagee. The Fair Market Value of any Investment Securities included in the Cash Collateral for purposes of this Agreement shall be determined by the Mortgagee in accordance with customary financial market practices. The Mortgagee shall inform the Company of the principal amount of the Series G Equipment Notes outstanding, the principal amount of the Series B Equipment Notes outstanding and the Fair Market Value of any Investment Securities included in the Collateral, in each case as of any Valuation Date or for purposes of Section 3.1, promptly after the Company's request for such information.

Section 2.6 Independent Appraiser. If the Policy Provider (or, if a Policy Provider Default has occurred and is continuing, the Mortgagee at the direction of the Controlling Party) has a reasonable basis for concluding that the performance of the Independent Appraiser that executed the most recent Independent Appraiser's Certificate delivered pursuant to Article 2 was not satisfactory, the Policy Provider (or, if a Policy Provider Default has occurred and is continuing, the Mortgagee at the direction of the Controlling Party) may designate another Independent Appraiser to perform the next required appraisal under this Article 2 by written notice given to the Company within 90 days after the date of such most recent Independent Appraiser's Certificate. The Company shall use such other Independent Appraiser designated by the Policy Provider (or the Mortgagee, as the case may be) for the next appraisal unless it gives the Policy Provider (or the Mortgagee, as the case may be) written notice of reasonable objection to the use of such other Independent Appraiser.

ARTICLE 3

COLLATERAL REQUIREMENTS

Section 3.1 Maintenance of Collateral Ratio and Rotable Ratio.

- (a) If the Collateral Ratio, as most recently determined pursuant to an Appraisal Compliance Report, is greater than the Maximum Collateral Ratio or the Subordinated Collateral Ratio, as most recently determined pursuant to an Appraisal Compliance Report, is greater than
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the Maximum Subordinated Collateral Ratio, the Company shall within 90 days after the date of the Appraisal Compliance Report setting forth the calculation of such Collateral Ratio or Subordinated Collateral Ratio:

- (i) subject additional Qualified Spare Parts (the "Additional Parts") to the Lien of the Trust Indenture in accordance with Section 3.1(c);
- (ii) grant a security interest to a Collateral Agent in other property to secure the Secured Obligations for the benefit of the Note Holders and the Indenture Indemnitees, provided that the Company shall have received, with respect to the use for purposes of this Section 3.1(a) of such additional collateral and the applicable Collateral Agreement, (x) approval of the Policy Provider and (y) Ratings Confirmation with respect to the Pass Through Certificates;
- (iii) provide additional cash and/or Investment Securities to the Mortgagee under the Trust Indenture, provided that if the Continental Cash Balance as of the applicable Valuation Date was less than \$600,000,000, then the amount of Cash Collateral included in the Collateral, after giving effect to the action taken pursuant to Sections 3.1(a) and 3.1(b) with respect to such Valuation Date, shall not exceed \$20,000,000;
- (iv) if the 787 Spare Parts are not then included as Qualified Spare Parts, subject the 787 Spare Parts to the Lien of the Trust Indenture as Qualified Spare Parts in accordance with Section 3.1(f);
- (v) redeem some or all of the Equipment Notes pursuant to Section 2.11 of the Trust Indenture (provided that, in the case of the Series B Equipment Notes, any such redemption before the fifth anniversary of the Issuance Date may be made only to the extent necessary to satisfy the applicable Collateral Ratio or Subordinated Collateral Ratio requirement); or
- (vi) any combination of the foregoing;

such that, the Collateral Ratio and the Subordinated Collateral Ratio, as recalculated giving effect to such action taken pursuant to this Section 3.1(a) and, in the case of clauses (i), (ii), (iii) and (iv) of this Section 3.1(a), using the Fair Market Value of any such additional Collateral determined pursuant to Section 3.1(d) (but otherwise using the information used to determine the Collateral Ratio and the Subordinated Collateral Ratio as most recently determined pursuant to Article 2), would not be greater than the Maximum Collateral Ratio or the Maximum Subordinated Collateral Ratio, respectively.

(b) If the Rotable Ratio, as most recently determined pursuant to an Appraisal Compliance Report, is less than the Minimum Rotable Ratio, the Company shall within 90 days after the date of the Appraisal Compliance Report setting forth the calculation of such Rotable Ratio:

- (i) subject additional Rotables (the "Additional Rotables") to the Lien of the Trust Indenture in accordance with Section 3.1(c);
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(ii) provide additional cash and/or Investment Securities to the Mortgagee under the Trust Indenture; provided that if the Continental Cash Balance as of the applicable Valuation Date was less than \$600,000,000, then the amount of Cash Collateral included in the Collateral, after giving effect to the action taken pursuant to Sections 3.1(a) and 3.1(b) with respect to such Valuation Date, shall not exceed \$20,000,000;

(iii) if the 787 Spare Parts are not then included as Qualified Spare Parts, subject Rotable Parts that are 787 Spare Parts to the Lien of the Trust Indenture in accordance with Section 3.1(f);

(iv) redeem some or all of the Equipment Notes pursuant to Section 2.11 of the Trust Indenture (provided that, in the case of the Series B Equipment Notes, any such redemption before the fifth anniversary of the Issuance Date may be made only to the extent necessary to satisfy the Rotable Ratio requirement); or

(v) any combination of the foregoing.

such that, the Rotable Ratio, as recalculated giving effect to such action taken pursuant to this Section 3.1(b) and, in the case of clauses (i), (ii) and (iii) of this Section 3.1(b), using the Fair Market Value of any such additional Collateral determined pursuant to Section 3.1(d) (but otherwise using the information used to determine the Rotable Ratio as most recently determined pursuant to Article 2), would not be less than the Minimum Rotable Ratio.

(c) In order to comply with Section 3.1(a)(i) or Section 3.1(b)(i), the Company shall (i) add one or more locations as Designated Locations pursuant to Section 4.04(b) of the Trust Indenture, in which case the Qualified Spare Parts or Rotables, as the case may be, at such new Designated Locations, to the extent not included in the Pledged Spare Parts on the preceding Valuation Date, shall be deemed Additional Parts or Additional Rotables, as the case may be; and/or (ii) add to a Designated Location Qualified Spare Parts or Rotables, as the case may be, that were not included as Pledged Spare Parts on the preceding Valuation Date, which shall be deemed Additional Parts or Additional Rotables, as the case may be.

(d) In connection with the provision of additional Collateral pursuant to clause (i), (ii) or (iv) of Section 3.1(a) or clause (i) or (iii) of Section 3.1(b), the Company shall furnish to the Policy Provider (with copies to the Mortgagee and the Rating Agencies) an Independent Appraiser's Certificate signed by an Independent Appraiser, dated as of a date after the most recent Valuation Date, stating, in the opinion of such Independent Appraiser, the Fair Market Value of such additional Collateral (other than Cash Collateral), as of a date not earlier than 60 days prior to the date of such Independent Appraiser's Certificate (but not earlier than the most recent Valuation Date) and using, in the case of Additional Parts, 787 Spare Parts, Additional Rotables or Rotable Parts that are 787 Spare Parts, the Annual Methodology.

(e) If the Company shall have provided Cash Collateral pursuant to Section 3.1(a)(iii) or Section 3.1(b)(ii) (the "Temporary Cash Collateral"), it shall within 90 days after providing such Temporary Cash Collateral (i) in the case of Section 3.1(a)(iii), take additional action pursuant to Section 3.1(a) (excluding the right to provide Cash Collateral) to cause the Collateral

Ratio and Subordinated Collateral Ratio, calculated to exclude such Temporary Cash Collateral, not to be greater than the Maximum Collateral Ratio and the Maximum Subordinated Collateral Ratio, respectively, and (ii) in the case of Section 3.1(b)(ii), take additional action pursuant to Section 3.1(b) (excluding the right to provide Cash Collateral) to cause the Rotable Ratio, calculated to exclude such Temporary Cash Collateral, not to be less than the Minimum Rotable Ratio.

(f) In order to comply with Section 3.1(a)(iv) or 3.1(b)(iii), the Company shall subject the 787 Spare Parts or Rotable Parts that are 787 Spare Parts to the Lien of the Trust Indenture as Qualified Spare Parts by executing and delivering to the Mortgagee a Trust Indenture Collateral Supplement with respect to the 787 Spare Parts or Rotable Parts that are 787 Spare Parts, as the case may be, provided that the Company's right under Section 3.1(a)(iv) or 3.1(b)(iii) (whichever shall be the first to occur) shall be subject to the approval of the Policy Provider.

Section 3.2 Certain Limitations Regarding the Collateral. During any period commencing on the Closing Date or the date of an Independent Appraiser's Certificate delivered pursuant to Article 2 through the date preceding the date of the next Independent Appraiser's Certificate delivered pursuant to Article 2 (each, an "Applicable Period"), the Company agrees that, as of any date during an Applicable Period, the aggregate Appraised Value of all Pledged Spare Parts (x) previously during such Applicable Period sold, transferred or disposed of (excluding any such transaction pursuant to Section 4.04(a)(ii) of the Trust Indenture and Pledged Spare Parts deemed sold pursuant to the proviso in Section 4.04(c) of the Trust Indenture as to which the Company has reacquired title) (collectively, "Sales") shall not exceed 3% of the Appraised Value of the Collateral, (y) then subject to leases to Permitted Lessees or loans to other Persons (together, "Loans") shall not exceed 3% of the Appraised Value of the Collateral or (z) previously during such Applicable Period moved from a Designated Location to a location not a Designated Location (excluding those permitted under Sections 4.04(a)(i) of the Trust Indenture and clauses (i) and (ii) of Section 4.04(c) of the Trust Indenture) ("Moves") shall not exceed 3% of the Appraised Value of the Collateral.

Section 3.3 Fleet Reduction. If at any time after the Closing Date so long as any Series G Equipment Notes are outstanding the total number of Aircraft of any Aircraft Model (as defined below) in the Company's in-service fleet during any period of 60 consecutive days is less than the Specified Minimum (as defined below) for such Aircraft Model (other than due to restrictions on operating such Aircraft imposed by the FAA or any other instrumentality or agency of the United States), then within 90 days after such occurrence the Company shall redeem Series G Equipment Notes pursuant to Section 2.11 of the Trust Indenture in an aggregate principal amount not less than the principal amount of the Series G Equipment Notes outstanding as of a date specified by the Company within 60 days prior to the redemption date multiplied by a fraction, the numerator of which shall be the Appraised Value of the Pledged Spare Parts that are appropriate for incorporation in, installation on, attachment or appurtenance to, or use in only Aircraft of such Aircraft Model or Engines utilized only on such Aircraft, and the denominator of which shall be the Appraised Value of the Collateral. If at any time after the Closing Date so long as any Series B Equipment Notes are outstanding the total number of Aircraft of any Aircraft Model (as defined below) in the Company's in-service fleet during any period of 60 consecutive days is less than the Specified Minimum (as defined below) for such

Aircraft Model (other than due to restrictions on operating such Aircraft imposed by the FAA or any other instrumentality or agency of the United States), then within 90 days after such occurrence the Company shall redeem Series B Equipment Notes pursuant to Section 2.11 of the Trust Indenture in an aggregate principal amount not less than the principal amount of the Series B Equipment Notes outstanding as of a date specified by the Company within 60 days prior to the redemption date multiplied by a fraction, the numerator of which shall be the Appraised Value of the Pledged Spare Parts that are appropriate for incorporation in, installation on, attachment or appurtenance to, or use in only Aircraft of such Aircraft Model or Engines utilized only on such Aircraft, and the denominator of which shall be the Appraised Value of the Collateral. For purposes of this Section “Aircraft Model” shall mean each of the five models or groups of models of Aircraft set forth below and “Specified Minimum” for any Aircraft Model shall mean the number of Aircraft set forth opposite such Aircraft Model below:

<u>Aircraft Model</u>	<u>Specified Minimum</u>
1. Boeing 737-700, Boeing 737-800 and Boeing 737-900 Aircraft	63 Aircraft
2. Boeing 737-300 and Boeing 737-500 Aircraft	40 Aircraft
3. Boeing 757-200 and Boeing 757-300 Aircraft	23 Aircraft
4. Boeing 767-200 and Boeing 767-400 Aircraft	13 Aircraft
5. Boeing 777-200 Aircraft	9 Aircraft

Section 3.4 Inspection.

(a) At all reasonable times, the Policy Provider (or, if a Policy Provider Default has occurred and is continuing, the Mortgagee at the direction of the Controlling Party) and its authorized representatives (the “Inspecting Parties”) may (not more than once every 12 months unless an Event of Default has occurred and is continuing, in which case such inspection right shall not be so limited) inspect the Pledged Spare Parts (including without limitation, the Spare Parts Documents).

(b) Any inspection of the Pledged Spare Parts hereunder shall be limited to a visual inspection and shall not include the disassembling, or opening of any components, of any Pledged Spare Part, and no such inspection shall interfere with the Company’s or any Permitted Lessee’s maintenance and use of the Pledged Spare Parts.

(c) With respect to such rights of inspection, the Policy Provider (or the Mortgagee, as the case may be) shall not have any duty or liability to make, or any duty or liability by reason of not making, any such visit, inspection or survey.

(d) Each Inspecting Party shall bear its own expenses in connection with any such inspection, provided that the Company shall reimburse the Inspecting Party for its reasonable out-of-pocket expenses in connection with any such inspection during the continuance of an Event of Default, except during the Section 1110 Period.

ARTICLE 4

MISCELLANEOUS

Section 4.1 Benefits of Agreement Restricted. Subject to the provisions of Section 4.6 hereof, nothing in this Agreement or the other Operative Agreements, express or implied, shall give or be construed to give to any Person, other than the parties hereto, any legal or equitable right, remedy or claim under or in respect of this Agreement or under any covenant, condition or provision herein contained, all such covenants, conditions and provisions, subject to Section 4.6 hereof, being for the sole benefit of the parties hereto, provided, that the following provisions of this Agreement are for the benefit of the Mortgagee acting on behalf of the Note Holders of Series B (collectively, the "Subordinated Security Provisions"): (i) the requirement that appraisals of the Collateral be obtained for purposes of determining the Maximum Subordinated Collateral Ratio by the tenth Business Day of April and the tenth Business Day of October in each year, commencing in October 2006; (ii) the requirement that the Maximum Subordinated Collateral Ratio be complied with in connection with such appraisals; (iii) the second sentence of Section 3.3; and (iv) clause (y) of the proviso to Section 4.4 (it being understood that the other provisions of this Agreement not expressly included within clauses (i), (ii), (iii) and (iv) of this proviso, including without limitation defined terms, are not Subordinated Security Provisions). Upon payment in full of the Series G Equipment Notes and the Policy Provider Obligations, if any Series B Equipment Notes are then outstanding, Section 3.4, as then in effect, shall at such time become a Subordinated Security Provision, except that each reference therein to the Policy Provider shall be deemed changed to the Mortgagee.

Section 4.2 Appraiser's Certificate. Unless otherwise specifically provided and subject to Section 11.14 of the Trust Indenture, an Independent Appraiser's Certificate shall be sufficient evidence of the Appraised Value and Fair Market Value of any property under this Agreement.

Section 4.3 Notices; Waiver. Any request, demand, authorization, direction, notice, consent, waiver or other document provided or permitted by this Agreement to be made upon, given or furnished to, or filed with

(a) the Company shall be sufficient for every purpose hereunder if in writing and sent by personal delivery, by telecopier, by registered or certified mail or by nationally recognized overnight courier, postage or courier charges, as the case may be, prepaid, to the Company at:

Continental Airlines, Inc.
1600 Smith Street
Houston, Texas 77002
Attention: Treasurer
Telecopier No.: (713) 324-2447

(b) the Policy Provider shall be sufficient for every purpose hereunder if in writing and sent by personal delivery, by telecopier, by registered or certified mail or by nationally recognized overnight courier, postage or courier charges, as the case may be, prepaid, to the Policy Provider at:

Financial Guaranty Insurance Company
125 Park Avenue
New York, New York 10017
Attention: SF Surveillance
Telecopier No.: (212) 312-3222

(c) the Mortgagee shall be sufficient for every purpose hereunder if in writing and sent by personal delivery, by telecopier, by registered or certified mail or by nationally recognized overnight courier, postage or courier charges, as the case may be, prepaid to the Mortgagee at:

Wilmington Trust Company
Rodney Square North
1100 North Market Street
Wilmington, Delaware 19890
Attention: Corporate Trust Administration
Telecopier No.: (302) 651-8882

or to any of the above parties at any other address or telecopier number subsequently furnished in writing by it to each of the other parties listed above. Any such delivery shall be deemed made on the date of receipt by the addressee of such delivery or of refusal by such addressee to accept delivery.

Section 4.4 Amendments, Etc. This Agreement may be amended or supplemented, and compliance with any obligation in this Agreement may be waived, by written instrument executed by the Company, the Mortgagee and the Policy Provider, provided, that (x) the Subordinated Security Provisions may not be amended, supplemented or waived by the Company, the Mortgagee and the Policy Provider but may be amended, supplemented or waived by the Company and the Mortgagee, with the consent of the Required Subordinated Holders and without the consent of the Policy Provider or the holders of the Series G Equipment Notes and (y) if Section 3.2 is amended or supplemented, or compliance therewith waived, any transaction entered into subsequent thereto that would not be in compliance with the provisions of such sentence as in effect on the Closing Date shall not be permitted if the Subordinated Collateral Ratio, as recalculated giving effect to such transaction but otherwise using the information used to determine the Subordinated Collateral Ratio as most recently determined pursuant to Article 2, would be greater than the Maximum Subordinated Collateral Ratio.

Section 4.5 No Waiver. No failure on the part of the Policy Provider (or the Mortgagee, to the extent applicable) to exercise, and no delay in exercising any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. Failure by the

Policy Provider (or the Mortgagee, to the extent applicable) at any time or times hereafter to require strict performance by the Company with any of the provisions, warranties, terms or conditions contained herein shall not waive, affect or diminish any right of the Policy Provider (or the Mortgagee, as the case may be) at any time or times hereafter to demand strict performance thereof, and such right shall not be deemed to have been modified or waived by any course of conduct or knowledge of the Policy Provider (or the Mortgagee, as the case may be) or any agent, officer or employee of the Policy Provider (or the Mortgagee, as the case may be).

Section 4.6 Successors and Assigns. This Agreement and all obligations of the Company hereunder shall be binding upon the successors and permitted assigns of the Company, and shall, together with the rights and remedies of the Policy Provider and the Mortgagee hereunder, inure to the benefit of the Policy Provider, the Mortgagee and their respective successors and assigns. The interest of the Company under this Agreement is not assignable and any attempt to assign all or any portion of this Agreement by the Company shall be null and void except for an assignment in connection with a merger, consolidation or conveyance, transfer or lease of all or substantially all the Company's assets permitted under the Trust Indenture. Upon the occurrence of a Policy Provider Default, all rights and obligations of the Policy Provider under this Agreement shall automatically, without any notice, demand or other action, be assigned to and assumed by the Mortgagee, and the Mortgagee shall take or refrain from taking action under this Agreement at the direction of the Controlling Party.

Section 4.7 Governing Law. THIS AGREEMENT IS BEING DELIVERED IN THE STATE OF NEW YORK. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

Section 4.8 Effect of Headings. The Article and Section headings and the Table of Contents contained in this Agreement have been inserted for convenience of reference only, and are and shall be without substantive meaning or content of any kind whatsoever and are not a part of this Agreement.

Section 4.9 Counterpart Originals. This Agreement may be signed in two or more counterparts, each of which shall be deemed an original, but all of which shall together constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by telecopier shall be effective as delivery of an original executed counterpart of this Agreement.

Section 4.10 Severability. The provisions of this Agreement are severable, and if any clause or provision shall be held invalid, illegal or unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect in that jurisdiction only such clause or provision, or part thereof, and shall not in any manner affect such clause or provision in any other jurisdiction or any other clause or provision of this Agreement in any jurisdiction, to the fullest extent permitted by law.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered all as of the date first above written.

CONTINENTAL AIRLINES, INC.

By:

Name:

Title:

FINANCIAL GUARANTY INSURANCE
COMPANY, as Policy Provider

By:

Name:

Title:

WILMINGTON TRUST COMPANY,
as Mortgagee

By:

Name:

Title:

[Address to Policy Provider,
Mortgagee and the Rating
Agencies]

**Appraisal Compliance Report Under the Collateral
Maintenance Agreement**

Ladies and Gentlemen:

We refer to the Collateral Maintenance Agreement, dated as of June 9, 2006 (the "Agreement"), among Continental Airlines, Inc. (the "Company"), Financial Guaranty Insurance Company and Wilmington Trust Company, as Mortgagee. Terms defined in the Agreement and used herein have such respective defined meanings. The Company hereby certifies that:

1. This Compliance Report is accompanied by an Independent Appraiser's Certificate (the "Relevant Appraisal") dated [_____]. The Valuation Date for purposes of the Relevant Appraisal was [_____] (the "Relevant Valuation Date").
 2. The following sets forth the calculation of the Collateral Ratio as of the Relevant Valuation Date:
 - a. The aggregate principal amount of all Series G Equipment Notes outstanding as of the Relevant Valuation Date \$[_____]
 - b. The Fair Market Value of the Cash Collateral as of the Relevant Valuation Date \$[_____]
 - c. The Fair Market Value of the Collateral (excluding Cash Collateral) as of the Relevant Valuation Date, as set forth in the accompanying Independent Appraiser's Certificate \$[_____]
 - d. The Collateral Ratio ((a - b) ÷ c) [_____]%
-

3. The following sets forth the calculation of the Subordinated Collateral Ratio as of the Relevant Valuation Date:

- a. The aggregate principal amount of all Series G Equipment Notes and Series B Equipment Notes outstanding as of the Relevant Valuation Date \$[_____]
- b. The Fair Market Value of the Cash Collateral as of the Relevant Valuation Date \$[_____]
- c. The Fair Market Value of the Collateral (excluding Cash Collateral) as of the Relevant Valuation Date, as set forth in the accompanying Independent Appraiser's Certificate \$[_____]
- d. The Subordinated Collateral Ratio ((a [_____] - b) ÷ c)

4. The following sets forth the calculation of the Rotable Ratio as of the Relevant Valuation Date:

- a. The Fair Market Value of the Rotables as of the Relevant Valuation Date, as set forth in the accompanying Independent Appraiser's Certificate \$[_____]
 - b. The aggregate principal amount of all Series G Equipment Notes outstanding as of the Relevant Valuation Date \$[_____]
 - c. The Fair Market Value of the Cash Collateral as of the Relevant Valuation Date \$[_____]
 - d. The Rotable Ratio (a ÷ b - c) [_____]%
-

5. The Continental Cash Balance as of the Relevant Valuation Date was \$[_____].

Dated: [_____]

Very truly yours,

CONTINENTAL AIRLINES, INC.

By: _____

Name:
Title:

[Address to Policy Provider,
Mortgagee and the Rating
Agencies]

**Nonappraisal Compliance Report Under the Collateral
Maintenance Agreement**

Ladies and Gentlemen:

We refer to the Collateral Maintenance Agreement, dated as of June 9, 2006 (the "Agreement"), among Continental Airlines, Inc. (the "Company"), Financial Guaranty Insurance Company and Wilmington Trust Company, as Mortgagee. Terms defined in the Agreement and used herein have such respective defined meanings. The Company hereby certifies that:

1. The most recent Independent Appraiser's Certificate furnished by the Company (the "Relevant Appraisal") [was dated January 25, 2006] [pursuant to Article 2 of the Agreement was dated [_____]] (the "Relevant Date").] The Valuation Date for purposes of the Relevant Appraisal was [_____] (the "Relevant Valuation Date").
 2. The aggregate Appraised Value of all Collateral determined as of the Relevant Valuation Date pursuant to the Agreement [, as subsequently supplemented pursuant to Section 3.1 of the Agreement,] is \$[_____].
 3. During the period (the "Relevant Period") beginning on the [Closing Date] [Relevant Date] and ending on [_____] (the "Determination Date").
 - i) Sales did not exceed 3% of the Appraised Value of the Collateral, and
 - ii) Moves did not exceed 3% of the Appraised Value of the Collateral.
 4. Loans outstanding on the Determination Date did not exceed 3% of the Appraised Value of the Collateral.
 5. Attached hereto as Exhibit 1 is a report that correctly sets forth as of the Determination Date the percentage of the average cost of all Pledged Spare Parts consisting of Rotables, Expendables and all Pledged Spare Parts located at each Company facility.
 6. Attached hereto as Exhibit 2 is a report that correctly sets forth the following information as of the Determination Date with respect to each Pledged Spare Part model among the 500 Pledged Spare Part models with the highest aggregate Appraised Value:
 - i) Manufacturer's part number;
 - ii) the Company's part tracking number;
 - iii) part description;
-

- iv) related aircraft model(s);
- v) classification as Rotable or Expendable;
- vi) quantity on hand; and
- vii) the Company's average cost.

Very truly yours,
CONTINENTAL AIRLINES, INC.

By: _____
Name:
Title:

REFERENCE AGENCY AGREEMENT

REFERENCE AGENCY AGREEMENT, dated as of June 9, 2006, among Continental Airlines, Inc., a Delaware corporation (the "Company"), Wilmington Trust Company, a Delaware banking corporation ("WTC"), as Subordination Agent under the Intercreditor Agreement referred to below, WTC, as Mortgagee (as defined in the Trust Indenture and Mortgage referred to below), and WTC, as reference agent hereunder (the "Reference Agent").

W I T N E S S E T H:

WHEREAS, certain terms used herein have the defined meanings as provided in Section 1 below;

WHEREAS, concurrently with the execution and delivery of this Agreement, the Company is entering into the Note Purchase Agreement, dated as of the date hereof (the "Note Purchase Agreement"), with WTC, as Mortgagee, WTC, as Pass Through Trustee under each of the Pass Through Trust Agreements referred to therein, and WTC, as Subordination Agent under the Intercreditor Agreement referred to therein, which contemplates, among other things, the making of a secured loan to the Company by WTC, as Pass Through Trustee under each of the Pass Through Trust Agreements;

WHEREAS, concurrently with the execution and delivery of this Agreement, the Company is entering into the Trust Indenture and Mortgage, dated as of the date hereof (the "Trust Indenture") with WTC, as Mortgagee, which provides for, among other things, the issuance by the Company of Series G Equipment Notes and Series B Equipment Notes secured by, among other things, certain spare aircraft parts, and bearing interest at a rate per annum based on LIBOR, as determined pursuant to this Agreement;

WHEREAS, concurrently with the execution and delivery of this Agreement, the Class G Pass Through Trust and the Class B Pass Through Trust have been created pursuant to the Basic Pass Through Trust Agreement and the applicable Trust Supplement to facilitate the issuance and sale of Pass Through Certificates pursuant thereto; and

WHEREAS, the Company and the Underwriter have entered into the Underwriting Agreement, which provides that the Company will cause the Pass Through Trustee under the Class G Pass Through Trust and the Pass Through Trustee under the Class B Pass Through Trust to issue and sell the Class G Certificates and the Class B Certificates, respectively, to the Underwriter on the Issuance Date.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements contained herein, the parties hereto hereby agree as follows:

SECTION 1. Definitions. Unless otherwise defined herein, all capitalized terms used but not defined herein have the meanings assigned to such terms in the Trust Indenture. The

conventions of construction and usage set forth in the Indenture are incorporated by reference herein. In addition, the following terms shall have the meanings specified below:

“Class G Certificate” means the Pass Through Certificates issued by the Class G Pass Through Trust.

“Class B Certificate” means the Pass Through Certificates issued by the Class B Pass Through Trust.

“Interest Period” means (i) in the case of the first Interest Period, the period commencing on (and including) the Issuance Date and ending on (but excluding) the first Payment Date following the Issuance Date and (ii) in the case of each subsequent Interest Period, the period commencing on (and including) the last day of the immediately preceding Interest Period, and ending on (but excluding) the next Payment Date.

“Interest Rate Determination Date” means, with respect to any Interest Period, the second London Banking Day prior to the first day of such Interest Period.

“LIBOR” means the rate determined pursuant to Section 6(b).

“London Banking Day” means any day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London, England.

“Payment Date” means each March 2, June 2, September 2 and December 2, commencing on September 2, 2006, provided that if any such day is not a Business Day, then the immediately succeeding Business Day.

“Reference Banks” means Barclays Bank, JPMorgan Chase Bank and Deutsche Bank (or, if any such bank is not at the relevant date a major bank in the London interbank market, another major bank in the London interbank market in lieu thereof selected by the Reference Agent in good faith and in a commercially reasonable manner).

“Representative Amount” means an amount that is representative for a single transaction in the London interbank market at the relevant time.

“Series B Interest Rate” has the meaning assigned to such term in Section 6(b) of this Agreement.

“Series G Interest Rate” has the meaning assigned to such term in Section 6(b) of this Agreement.

“Telerate” means page 3750 on the Telerate Service (or such other page as may replace that page on that service, or such other service as may be nominated by the British Banker’s Association for the purpose of displaying rates or prices comparable to that).

SECTION 2. Appointment of Reference Agent. The Company hereby appoints WTC as the Reference Agent, and WTC hereby accepts such appointment and agrees to perform the duties and obligations of Reference Agent set forth in Section 6.

SECTION 3. Status of Reference Agent. Any acts taken by the Reference Agent under this Agreement, including the calculation of any LIBOR, shall be deemed to have been taken by the Reference Agent solely in its capacity as an agent acting on behalf of the Company and shall not create or imply any obligation to, or any agency, fiduciary or trust relationship with, any of the owners or holders of the Equipment Notes, Class G Certificates or Class B Certificates.

SECTION 4. Reference Agent Fees and Expenses. In consideration of the Reference Agent's performance of the services provided for under this Agreement, the Company shall pay to the Reference Agent an annual fee set forth under a separate agreement between the Company and WTC. In addition, the Company shall reimburse the Reference Agent for all reasonable out-of-pocket expenses, disbursements and advances (including reasonable legal fees and expenses) incurred or made by the Reference Agent from time to time in connection with the services rendered by it under this Agreement, except any expenses, disbursements, or advances attributable to its negligence or wilful misconduct.

SECTION 5. Rights and Liabilities of Reference Agent. In the absence of negligence or wilful misconduct on the part of the Reference Agent, its directors, officers, employees and agents, such persons may conclusively rely, as to the truth of the statements expressed in, and shall be fully protected and shall incur no liability for, or in respect of, any action taken, omitted to be taken, or suffered to be taken by it, in reliance upon, any written order, instruction, notice, request, direction, statement, certificate, consent, report, affidavit or other instrument, paper, document or communication, reasonably believed by it in good faith to be genuine, from the Company and conforming to the requirements of this Agreement. Any written order, instruction, notice, request, direction, statement, certificate, consent, report, affidavit or other instrument, paper, document or communication from the Company or given by it and sent, delivered or directed to the Reference Agent under, pursuant to, or as permitted by, any provision of this Agreement shall be sufficient for purposes of this Agreement if such written order, instruction, notice, request, direction, statement, certificate, consent, report, affidavit or other instrument, paper, document or communication is in writing and signed by any officer of the Company. The Reference Agent may consult with counsel satisfactory to it and the advice (to be confirmed in writing) or opinion of such counsel shall constitute full and complete authorization and protection of the Reference Agent with respect to any action taken, omitted to be taken, or suffered to be taken by it hereunder in good faith and in accordance with and in reliance upon the advice to be confirmed in writing or opinion of such counsel. The Reference Agent shall not be liable for any error resulting from use of or reliance on a source or publication required to be used under Section 6 to the extent such use of or reliance on such source or publication is contemplated by Section 6.

SECTION 6. Duties of Reference Agent. (a) The duties and obligations of the Reference Agent shall be determined solely by the express provisions of this Agreement, and no implied covenants or obligations shall be read into this Agreement against the Reference Agent. Subject to their duty to act without negligence, neither the Reference Agent nor its directors,

officers, employees and agents guarantee the correctness or completeness of any data or other information furnished hereunder.

(b) For the purpose of calculating the rate of interest payable on the Series G Equipment Notes (the “Series G Interest Rate”) and the rate of interest payable on the Series B Equipment Notes (the “Series B Interest Rate”), “LIBOR” for each Interest Period that commences after the Issuance Date (it being understood that the Series G Interest Rate and the Series B Interest Rate for the Interest Period commencing on the Issuance Date shall be determined pursuant to the Underwriting Agreement) shall mean the rate determined in accordance with the following provisions:

(i) The Reference Agent will determine LIBOR for each such Interest Period as the rate for deposits in U.S. Dollars for a period of three months which appears on the Telerate Page 3750 as of 11:00 a.m., London time, on the Interest Rate Determination Date for such Interest Period.

(ii) If the rate referred to in Section 6(b)(i) does not appear on the Telerate Page 3750, the Reference Agent will determine LIBOR on the basis of the rates at which deposits in U.S. Dollars are offered by the Reference Banks at approximately 11:00 a.m., London time, on the Interest Rate Determination Date for such Interest Period to prime banks in the London interbank market for a period of three months commencing on the first day of such Interest Period and in a Representative Amount. The Reference Agent will request the principal London office of each of the Reference Banks to provide a quotation of its rate. If at least two such quotations are provided, the rate for that Interest Period will be the arithmetic mean of the quotations. If fewer than two quotations are provided as requested, the rate for that Interest Period will be the arithmetic mean of the rates quoted by major banks in New York City, selected by the Reference Agent in good faith and in a commercially reasonable manner, at approximately 11:00 a.m., New York City time, on the first day of such Interest Period for loans in U.S. Dollars to leading European banks for a period of three months commencing on the first day of such Interest Period and in a Representative Amount, except that, if the banks so selected by the Reference Agent are not quoting as mentioned above, LIBOR shall be the floating rate of interest in effect for the last preceding Interest Period.

(c) As soon as practicable after 11:00 a.m. (London time) on each Interest Rate Determination Date, the Reference Agent will calculate the Class G Interest Rate for such Interest Period, which shall be applicable to the Series G Equipment Notes, and, accordingly, the Class G Certificates for such Interest Period, and the Class B Interest Rate for such Interest Period, which shall be applicable to the Series B Equipment Notes, and, accordingly, the Class B Certificates for such Interest Period. The Reference Agent’s determination of LIBOR, the Class G Interest Rate and the Class B Interest Rate (in the absence of negligence, wilful default, bad faith or manifest error) shall be conclusive and binding upon all parties.

(d) As promptly as is practicable after the determination thereof, the Reference Agent shall give notice of the applicable LIBOR, the Class G Interest Rate and the next Payment Date to the Company, the Subordination Agent, each Liquidity Provider, the Policy Provider, the Pass Through Trustees and the Mortgagee.

(e) As promptly as is practicable after the determination thereof, the Reference Agent shall give notice of the applicable LIBOR, the Class B Interest Rate and the next Payment Date to the Company, the Subordination Agent, the Pass Through Trustees and the Mortgagee.

(f) The Reference Agent shall determine Break Amount if and when required under the Trust Indenture.

SECTION 7. Amendment of the Equipment Notes. The Company shall deliver to the Reference Agent, at least three Business Days prior to the effective date of any amendment of the interest rate terms of the Class G Pass Through Trust, Series G Equipment Notes, Class B Pass Through Trust or Series B Equipment Notes, written notice of such amendment describing the terms of such amendment in reasonable detail, and a certification by the Company that such amendment is in compliance with the terms of the Class G Pass Through Trust, the Class B Pass Through Trust or the Trust Indenture (as applicable).

SECTION 8. Ownership of Certificates. The Reference Agent, its officers, directors, employees and shareholders may become the owners of or acquire any interest in any Certificates, with the same rights that it or they would have if it were not the Reference Agent, and may engage or be interested in any financial or other transaction with the Company as freely as if it were not the Reference Agent.

SECTION 9. Term; Termination, Resignation or Removal of Reference Agent. (a) This Agreement shall have a noncancellable term commencing on the date hereof and expiring on payment in full of the Series G Equipment Notes and Series B Equipment Notes issued under the Trust Indenture or, if earlier, termination of the Trust Indenture. During such term, this Agreement shall not be terminable by any party hereto except as expressly provided in Section 9(b).

(b) The Reference Agent may at any time resign by giving written notice to the Company, the Subordination Agent, the Pass Through Trustees and the Mortgagee, specifying therein the date on which its desired resignation shall become effective; provided that such notice shall be given no less than 30 days prior to said effective date unless the Reference Agent, the Company, the Subordination Agent, the Pass Through Trustees and the Mortgagee otherwise agree in writing. The Company may remove the Reference Agent at any time by giving written notice to the Reference Agent and to the holders of the Class G Certificates and Class B Certificates and specifying the effective date of such removal, which shall be at least 30 days after the date of notice; provided, however, that no resignation by or removal of the Reference Agent shall become effective prior to the date of appointment by the Company, as provided in Section 10, of a successor reference agent and the acceptance of such appointment by such successor reference agent; and provided, further, that in the event that an instrument of acceptance by a successor reference agent shall not have been delivered pursuant to Section 10 within 90 days after the giving of such notice of resignation or removal, the Reference Agent may petition any court of competent jurisdiction for the appointment of a successor Reference Agent. The provisions of Sections 5, 11 and 13 hereof shall remain in effect following termination of this Agreement or the earlier resignation or removal of the Reference Agent.

SECTION 10. Appointment of Successor Reference Agent. In the event of the resignation by or removal of the Reference Agent pursuant to Section 9, the Company shall promptly appoint a successor reference agent. Any successor reference agent appointed by the Company following resignation by or removal of the Reference Agent pursuant to the provisions of Section 10 shall execute and deliver to the incumbent Reference Agent, the Company, the Subordination Agent, the Pass Through Trustees and the Mortgagee an instrument accepting such appointment. Thereupon, such successor reference agent shall, without any further act, deed or conveyance, become vested with all the authority, rights, powers, immunities, duties and obligations of the Reference Agent and with like effect as if originally named as Reference Agent hereunder, and the incumbent Reference Agent shall thereupon be obligated to transfer and deliver such relevant records or copies thereof maintained by the Reference Agent in connection with the performance of its obligations hereunder. The Company shall notify the Rating Agencies of any resignation by or removal of the Reference Agent under Section 9 and of the appointment of and acceptance by any successor Reference Agent pursuant to this Section 10.

SECTION 11. Indemnification. The Company shall indemnify and hold harmless the Reference Agent, its directors, officers, employees and agents from and against any and all actions, claims, damages, liabilities, judgments, losses, costs, charges and expenses (including reasonable legal fees and expenses) relating to or arising out of actions or omissions from actions in any capacity hereunder, except actions, claims, damages, liabilities, judgments, losses, costs, charges and expenses caused by the negligence or wilful misconduct of the Reference Agent, its directors, officers, employees or agents. The Reference Agent shall be indemnified and held harmless by the Company for any error resulting from use of or reliance on a source or publication required to be used under Section 6. The Reference Agent shall be indemnified and held harmless by the Company for, or in respect of, any actions taken, omitted to be taken or suffered to be taken in good faith by the Reference Agent in reliance upon (a) advice to be confirmed in writing or opinion of counsel or (b) a written instruction from the Company.

SECTION 12. Merger, Consolidation or Sale of Business by Reference Agent. Any corporation into which the Reference Agent may be merged or consolidated or any corporation resulting from any merger or consolidation to which the Reference Agent may be a party, or any corporation to which the Reference Agent may sell or otherwise transfer all or substantially all of its assets and corporation trust business, shall, to the extent permitted by applicable law, become the Reference Agent under this Agreement without the execution or filing of any paper or any further act by the parties hereto. The Reference Agent shall give notice in writing to the Company, the Subordination Agent, the Pass Through Trustees and the Mortgagee of any such merger, consolidation or sale.

SECTION 13. Miscellaneous. (a) If there should develop any conflict between the Reference Agent and any other Person relating to the rights or obligations of the Reference Agent in connection with calculation of the Series G Interest Rate or the Series B Interest Rate, the terms of this Agreement shall govern such rights and obligations.

(b) The Reference Agent agrees to cooperate with the Company and its agents, employees, directors and officers, including by providing such information as may reasonably be

requested to permit the Company or such agents, employees, directors and officers to monitor the Reference Agent's compliance with its obligations under this Agreement.

(c) The Reference Agent shall not assign or delegate or otherwise subcontract this Agreement or all or any part of its rights or obligations hereunder to any Person without the prior written consent of the Company.

(d) THIS AGREEMENT SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE.

(e) This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by telecopier shall be effective as delivery of a manually executed counterpart of this Agreement.

IN WITNESS WHEREOF, this Agreement has been entered into as of the date first set forth above.

CONTINENTAL AIRLINES, INC.

By: _____
Name:
Title:

WILMINGTON TRUST COMPANY, as
Reference Agent

By: _____
Name:
Title:

WILMINGTON TRUST COMPANY, as
Subordination Agent

By: _____
Name:
Title:

WILMINGTON TRUST COMPANY, as
Mortgagee

By: _____
Name:
Title:

SIMAT, HELLIESEN & EICHNER, INC.
90 Park Avenue
New York, NY 10016

May 22, 2006

CONTINENTAL AIRLINES, INC.
1600 Smith Street
Houston, TX 77002

Re: Preliminary Prospectus Supplement, dated May 24, 2006, to the Prospectus dated April 10, 2006, included in Registration Statement No. 333-133187 of Continental Airlines, Inc.

Ladies and Gentlemen:

We consent to the use of the report, dated as of February 16, 2006, prepared by us with respect to the spare parts referred to in the Preliminary Prospectus Supplement referred to above, to the summary of such report in the text under the headings "Prospectus Supplement Summary—Collateral", "Risk Factors—Risk Factors Relating to the Certificates and the Offering—Appraisal and Realizable Value of Collateral" and "Description of the Appraisal" in such Preliminary Prospectus Supplement and to the references to our name under the headings "Prospectus Supplement Summary—Collateral", "Risk Factors—Risk Factors Relating to the Certificates and the Offering—Appraisal and Realizable Value of Collateral", "Description of the Appraisal" and "Experts" in such Preliminary Prospectus Supplement. We also consent to such use, summary and references in the Final Prospectus Supplement relating to the offering described in such Preliminary Prospectus Supplement, to the extent such use, summary and references are unchanged.

Sincerely,

SIMAT, HELLIESEN & EICHNER, INC.

/s/ Clive G. Medland

Name: Clive G. Medland
Title: Senior Vice President