UNITED STATES
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): August 13, 2020

FedEx Corporation
(Exact name of registrant as specified in its charter)

Commission File Number
1-15829

Delaware	**62-1721435**
(State or other jurisdiction of incorporation)	(I.R.S. Employer Identification No.)
942 South Shady Grove Road, Memphis, Tennessee	**38120**
(Address of principal executive offices)	(Zip Code)

(901) 818-7500
(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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, par value $0.10 per share	**FDX**	**New York Stock Exchange**
0.700% Notes due 2022	**FDX 22B**	**New York Stock Exchange**
1.000% Notes due 2023	**FDX 23A**	**New York Stock Exchange**
0.450% Notes due 2025	**FDX 25A**	**New York Stock Exchange**
1.625% Notes due 2027	**FDX 27**	**New York Stock Exchange**
1.300% Notes due 2031	**FDX 31**	**New York Stock Exchange**

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR 230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR 240.12b-2).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or

revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

SECTION 1. REGISTRANT'S BUSINESS AND OPERATIONS.

Item 1.01. Entry into a Material Definitive Agreement.

On August 13, 2020, Federal Express Corporation ("FedEx Express"), a wholly owned subsidiary of FedEx Corporation (the "Company"), and Wilmington Trust Company, as subordination agent (the "Subordination Agent"), loan trustee and pass through trustee (the "Trustee") under a pass through trust agreement pursuant to which a newly formed pass through trust (the "Trust") was created by FedEx Express, entered into 19 separate Participation Agreements, each dated as of August 13, 2020 (each, a "Participation Agreement" and, collectively, the "Participation Agreements"). The Participation Agreements provide for the issuance by FedEx Express of equipment notes (the "Equipment Notes") in an aggregate principal amount of $970,000,000 secured by thirteen Boeing 767-300F aircraft and six Boeing 777F aircraft, delivered new to FedEx Express between September 2015 and June 2020 (each such aircraft, an "Aircraft" and, collectively, the "Aircraft"), and which are substantially identical with respect to each model of Aircraft. The Equipment Notes were issued under separate Indenture and Security Agreements (each, an "Indenture" and, collectively, the "Indentures") entered into by FedEx Express and Wilmington Trust Company, as loan trustee (the "Loan Trustee"), on August 13, 2020, with respect to each Aircraft.

The Equipment Notes bear interest at the rate of 1.875% per annum. The Equipment Notes were purchased by the Trustee using the proceeds from the sale of a total of $970,000,000 aggregate principal amount of FedEx Express Class AA Pass Through Certificates, Series 2020-1AA (the "Certificates") through the Trust. The Trustee will distribute payments of principal, make-whole amount (if any) and interest received on the Equipment Notes to the holders of the Certificates, subject to the subordination provisions set forth in the intercreditor agreement, dated as of August 13, 2020, among the Trustee, the Liquidity Provider and the Subordination Agent. Pursuant to a Revolving Credit Agreement dated August 13, 2020, between BNP Paribas, acting through its New York Branch, as liquidity provider (the "Liquidity Provider"), and the Subordination Agent, the Liquidity Provider will provide a liquidity facility for the Certificates, in an amount sufficient to make three semiannual interest distributions on the outstanding balance of the Certificates.

The interest on the Equipment Notes is payable semiannually on February 20 and August 20 of each year, beginning on February 20, 2021. The principal payments on the Equipment Notes are scheduled on February 20 and August 20 of each year, beginning on February 20, 2021. The final payments are expected to be due on February 20, 2034. Maturity of the Equipment Notes may be accelerated upon the occurrence of certain events of default, including failure by FedEx Express (in some cases after notice or the expiration of a grace period, or both) to make payments under the applicable Indenture when due or to comply with certain covenants, as well as certain bankruptcy events involving FedEx Express or the Company. The Equipment Notes issued with respect to each Aircraft are secured by a lien on such Aircraft and are also cross-collateralized by the other Aircraft. The payment obligations of FedEx Express in respect of the Equipment Notes are fully and unconditionally guaranteed by the Company.

The Certificates were registered for offer and sale pursuant to the Securities Act of 1933, as amended, under the Company and FedEx Express's shelf registration statement on Form S-3 (File No. 333-240157) (the "Registration Statement"), including the base prospectus therein dated July 29, 2020 and the final prospectus supplement thereto dated July 30, 2020.

The foregoing description of the agreements and instruments is qualified in its entirety by reference to such agreements and instruments, copies of which are filed herewith as exhibits and are incorporated by reference herein. This Current Report on Form 8-K 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.

SECTION 2. FINANCIAL INFORMATION.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information provided in Item 1.01 of this Form 8-K is hereby incorporated by reference into this Item 2.03.

SECTION 9. FINANCIAL STATEMENTS AND EXHIBITS.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Description of Exhibit
4.1	Pass Through Trust Agreement, dated as of August 13, 2020 between Federal Express Corporation and Wilmington Trust Company.
4.2	Trust Supplement No. 2020-1AA, dated as of August 13, 2020, between Federal Express Corporation and Wilmington Trust Company, as Trustee, to the Pass Through Trust Agreement dated as of August 13, 2020.
4.3	Guarantee of FedEx Corporation dated August 13, 2020.
4.4	Form of Pass Through Trust Certificate, Series 2020-1AA (included in Exhibit A to Exhibit 4.2).
4.5	Intercreditor Agreement, dated as of August 13, 2020, among Wilmington Trust Company, as Trustee of the FedEx Pass Through Trust 2020-1AA, BNP Paribas, acting through its New York Branch, as Liquidity Provider, and Wilmington Trust Company, as Subordination Agent.
4.6	Revolving Credit Agreement (2020-1AA), dated as of August 13, 2020, between Wilmington Trust Company, as Subordination Agent, agent and trustee for the trustee of the FedEx Pass Through Trust 2020-1AA and as Borrower, and BNP Paribas, acting through its New York Branch, as Liquidity Provider.
†*4.7	Participation Agreement (N126FE), dated as of August 13, 2020 among Federal Express Corporation, Wilmington Trust Company, as Pass Through Trustee under the Pass Through Trust Agreements, Wilmington Trust Company, as Subordination Agent, Wilmington Trust Company, as Loan Trustee, and Wilmington Trust Company, in its individual capacity as set forth therein.
†**4.8	Participation Agreement (N869FD), dated as of August 13, 2020, among Federal Express Corporation, Wilmington Trust Company, as Pass Through Trustee under the Pass Through Trust Agreements, Wilmington Trust Company, as Subordination Agent, Wilmington Trust Company, as Loan Trustee, and Wilmington Trust Company, in its individual capacity as set forth therein.
*4.9	Indenture and Security Agreement (N126FE), dated as of August 13, 2020, between Federal Express Corporation and Wilmington Trust Company, as Loan Trustee.
**4.10	Indenture and Security Agreement (N869FD), dated as of August 13, 2020, between Federal Express Corporation and Wilmington Trust Company, as Loan Trustee.
4.11	Form of Series 2020-1AA Equipment Notes (included in Exhibit 4.9).
5.1	Opinion of Mark R. Allen, Executive Vice President, General Counsel and Secretary of FedEx Corporation.
5.2	Opinion of Davis Polk & Wardwell LLP, special counsel to FedEx Corporation and Federal Express Corporation.
5.3	Opinion of Morris James LLP, special counsel to Wilmington Trust Company.
23.1	Consent of mba Aviation.
23.2	Consent of Aircraft Information Services, Inc.
23.3	Consent of Avitas, Inc.
23.4	Consent of Mark R. Allen (included in Exhibit 5.1).
23.5	Consent of Davis Polk & Wardwell LLP (included in Exhibit 5.2).
23.6	Consent of Morris James LLP (included in Exhibit 5.3).
*99.1	Schedule I.

**99.2	Schedule II.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Pursuant to Instruction 2 to Item 601 of Regulation S-K, Exhibit 99.1 filed herewith contains a list of documents applicable to the Boeing 767-300F Aircraft (other than the Aircraft bearing Registration No. N126FE) that relate to the offering of the FedEx Express Class AA Pass Through Certificates, Series 2020-1AA, which documents are substantially identical to those which are filed herewith as Exhibits 4.7 and 4.9, except for the information identifying such Aircraft in question and various information relating to the principal amounts of the Equipment Notes relating to such Aircraft. Exhibit 99.1 sets forth the details by which such documents differ from the corresponding representative sample of documents filed herewith as Exhibits 4.7 and 4.9 with respect to the Aircraft bearing Registration No. N976JT.

** Pursuant to Instruction 2 to Item 601 of Regulation S-K, Exhibit 99.2 filed herewith contains a list of documents applicable to the Boeing 777F Aircraft (other than the Aircraft bearing Registration No. N869FD) that relate to the offering of the FedEx Express Class AA Pass Through Certificates, Series 2020-1AA, which documents are substantially identical to those which are filed herewith as Exhibits 4.8 and 4.10, except for the information identifying such Aircraft in question and various information relating to the principal amounts of the Equipment Notes relating to such Aircraft. Exhibit 99.2 sets forth the details by which such documents differ from the corresponding representative sample of documents filed herewith as Exhibits 4.8 and 4.10 with respect to the Aircraft bearing Registration No. N869FD.

† Certain attachments have been omitted pursuant to Item 601(a)(5) of Regulation S-K because the information contained therein is not material and is not otherwise publicly disclosed. The Company will furnish supplementally copies of such attachments to the Securities and Exchange Commission or its staff upon request.

SIGNATURES

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

FedEx Corporation

Date: August 13, 2020

By: /s/ Herbert C. Nappier
Herbert C. Nappier
Executive Vice President, Treasurer, Tax & Corporate Development

Exhibit 4.1

EXECUTION VERSION

PASS THROUGH TRUST AGREEMENT

Dated as of August 13, 2020

between

FEDERAL EXPRESS CORPORATION

and

WILMINGTON TRUST COMPANY,

as Trustee

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Reconciliation and tie between FedEx Pass Through Trust Agreement, dated as of August 13, 2020 and the Trust Indenture Act of 1939. This reconciliation does not constitute part of the Pass Through Trust Agreement.

Trust Indenture Act of 1939 Section	Pass Through Trust Agreement Section
310(a)(1)	7.08
(a)(2)	7.08
312(a)	7.12; 8.01; 8.02
313(a)	8.03
313(b)	8.03
314(a)(1)-(3)	8.04(a)-(c)
(a)(4)	8.04(d)
(c)(1)	1.02
(c)(2)	1.02
(d)(1)	1.02; 7.13; 11.01
(d)(2)	1.02; 7.13; 11.01
(d)(3)	1.02; 2.01
(e)	1.02
315(b)	7.02
315(c)	7.01(b)
316(a)(last sentence)	1.04(c)
(a)(1)(A)	6.04
(a)(1)(B)	6.05
(b)	6.06
(c)	1.04(d)
317(a)(1)	6.03
(b)	7.13
318(a)	12.07

PASS THROUGH TRUST AGREEMENT

This PASS THROUGH TRUST AGREEMENT, dated as of August 13, 2020 (the "Basic Agreement"), between Federal Express Corporation, a Delaware corporation (the "Company"), and Wilmington Trust Company, as Trustee, is made with respect to the formation from time to time of separate FedEx Pass Through Trusts, and the issuance from time to time of separate series of Pass Through Certificates representing fractional undivided interests in the respective Trusts.

W I T N E S S E T H:

WHEREAS, from time to time, the Company and the Trustee may enter into one or more Trust Supplements (this and certain other defined terms used herein are defined in Section 1.01) pursuant to which the Trustee shall declare the creation of a separate Trust for the benefit of the Holders of the series of Certificates to be issued in respect of such Trust, and the initial Holders of the Certificates of such series, as the grantors of such Trust, by their respective acceptances of the Certificates of such series, shall join in the creation of such Trust with the Trustee;

WHEREAS, all Certificates to be issued in respect of each separate Trust will be issued as a separate series pursuant to this Agreement, will evidence fractional undivided interests in such Trust and will have no rights, benefits or interests in respect of any other separate Trust or the property held therein, subject, however, to the provisions of any Intercreditor Agreement to which one or more Trustees with respect to one or more Trusts may be a party and to any provisions to the contrary in any applicable Trust Supplement;

WHEREAS, from time to time, pursuant to the terms and conditions of this Agreement with respect to each separate Trust formed hereunder, the Trustee on behalf of such Trust shall purchase one or more issues of Equipment Notes having the identical interest rate as, and final maturity dates not later than the final Regular Distribution Date of, the series of Certificates issued in respect of such Trust and, subject to the terms of any related Intercreditor Agreement and to any terms to the contrary in any applicable Trust Supplement, shall hold such Equipment Notes in trust for the benefit of the Certificateholders of such Trust;

WHEREAS, to facilitate the sale of Equipment Notes to, and the purchase of Equipment Notes by, the Trustee on behalf of each Trust created from time to time pursuant to this Agreement, the Company as the "issuer", as such term is defined in and solely for purposes of the Securities Act, of the Certificates to be issued in respect of each Trust and as the "obligor", as such term is defined in and solely for purposes of the Trust Indenture Act, has duly authorized the execution and delivery of this Basic Agreement and is undertaking to perform certain administrative and ministerial duties hereunder and is also undertaking to pay the fees and expenses of the Trustee; and

WHEREAS, this Agreement, as supplemented from time to time, is subject to the provisions of the Trust Indenture Act and shall, to the extent applicable, be governed by such provisions;

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. Definitions. For all purposes of this Basic Agreement, except as otherwise expressly provided or unless the context otherwise requires:

(1) the terms used herein that are defined in this Article I have the meanings assigned to them in this Article I, and include the plural as well as the singular;

(2) all other terms used herein that are defined in the Trust Indenture Act, either directly or by reference therein, or by the rules promulgated under the Trust Indenture Act, have the meanings assigned to them therein;

(3) all references in this Basic Agreement to designated "Articles", "Sections", "Subsections" and other subdivisions are to the designated Articles, Sections, Subsections and other subdivisions of this Basic Agreement;

(4) the words "herein", "hereof" and "hereunder" and other words of similar import refer to this Basic Agreement as a whole and not to any particular Article, Section, Subsection or other subdivision;

(5) unless the context otherwise requires, whenever the words "including", "include" or "includes" are used herein, it shall be deemed to be followed by the phrase "without limitation"; and

(6) the term "this Agreement" (as distinguished from "this Basic Agreement") refers, unless the context otherwise requires, to this Basic Agreement as supplemented by the Trust Supplement creating a particular Trust and establishing the series of Certificates issued or to be issued in respect thereof, with reference to such Trust and such series of Certificates, as this Basic Agreement as so supplemented may be further supplemented with respect to such Trust and such series of Certificates.

"Act": has the meaning, with respect to any Certificateholder, specified in Section 1.04(a).

"Affiliate": means, with respect to any specified Person, any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such Person. For the purposes of this definition, "control", when used with respect to any specified Person, means the power, directly or indirectly, to direct 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.

"Aircraft": means one or more aircraft, including engines therefor, owned by or leased to the Company and securing one or more Equipment Notes.

"Authorized Agent": means, with respect to the Certificates of any series, any Paying Agent or Registrar for the Certificates of such series.

"Basic Agreement": means this Pass Through Trust Agreement, as the same may from time to time be supplemented, amended or modified, but does not include any Trust Supplement.

"Book-Entry Certificates": means, with respect to the Certificates of any series, a beneficial interest in the Certificates of such series, ownership and transfers of which shall be made through book entries as described in Section 3.05.

"Business Day": means, with respect to the Certificates of any series, any day other than a Saturday, a Sunday or a day on which commercial banks are required or authorized to close in New York, New York, Memphis, Tennessee or, so long as any Certificate of such series is outstanding, the city and state in which the Trustee or any related Loan Trustee maintains its Corporate Trust Office or receives and disburses funds.

"Certificate": means any one of the certificates executed and authenticated by the Trustee, substantially in the form specified in the relevant Trust Supplement.

"Certificate Account": means, with respect to the Certificates of any series, the account or accounts created and maintained for such series pursuant to Section 4.01(a) and the related Trust Supplement.

"Certificateholder or Holder": means, with respect to the Certificates of any series, the Person in whose name a Certificate of such series is registered in the Register for Certificates of such series.

"Certificate Owner": means, with respect to the Certificates of any series, for purposes of Section 3.05, a Person who owns a Book-Entry Certificate of such series.

"Clearing Agency": means an organization registered as a "clearing agency" pursuant to Section 17A of the Securities Exchange Act of 1934, as amended.

"Clearing Agency Participant": means a broker, dealer, bank, other financial institution or other Person for whom from time to time a Clearing Agency effects, directly or indirectly, book-entry transfers and pledges of securities deposited with the Clearing Agency.

"Company": means Federal Express Corporation, a Delaware corporation, or its successor in interest pursuant to Section 5.02.

"Controlling Party": means, with respect to the Certificates of any series, the Person entitled to act as such pursuant to the terms of the related Intercreditor Agreement.

"Corporate Trust Office": means, with respect to the Trustee or any Loan Trustee, the office of such trustee in the city at which at any particular time its corporate trust business shall be principally administered.

"Cut-off Date": means, with respect to the Certificates of any series, the date designated as such in the Trust Supplement establishing such series.

"Definitive Certificates": has the meaning, with respect to the Certificates of any series, specified in Section 3.05.

"Direction": has the meaning specified in Section 1.04(a).

"Distribution Date": means any Regular Distribution Date, Special Distribution Date or Initial Regular Distribution Date.

"Equipment Note": means, with respect to any Trust, any one of the notes, certificates or instruments issued pursuant to any Indenture and described as "Equipment Notes" in, or on a schedule attached to, the Trust Supplement in respect of such Trust and to be held by the Trustee as part of such Trust, including any Equipment Note (as so defined) issued under the applicable Indenture in replacement thereof or substitution therefor.

"ERISA": means the Employee Retirement Income Security Act of 1974, as amended from time to time, or any successor federal statute.

"Escrow Account": has the meaning, with respect to any Trust, specified in Section 2.02(b).

"Escrowed Funds": has the meaning, with respect to any Trust, specified in Section 2.02(b).

"Event of Default": means, in respect of any Trust, an Indenture Event of Default under any Indenture pursuant to which Equipment Notes held by such Trust were issued and such other event designated under the related Trust Supplement as an "Event of Default".

"Fractional Undivided Interest": means the fractional undivided interest in a Trust that is evidenced by a Certificate relating to such Trust.

"Indenture": means, with respect to any Trust, each of the one or more separate trust indenture and security agreements or trust indenture and mortgages or similar documents described in, or on a schedule attached to, the Trust Supplement relating to an Aircraft and an indenture or other similar document having substantially the same terms and conditions which relates to a Substitute Aircraft, as each such indenture is amended or supplemented in accordance with its respective terms; and "Indentures" means all of such agreements.

"Indenture Event of Default": means, with respect to any Indenture, any Event of Default (as such term is defined in such Indenture).

"Initial Regular Distribution Date": means, with respect to the Certificates of any series, the first Regular Distribution Date on which a Scheduled Payment is to be made.

"Intercreditor Agreement": means (a) any agreement by and among the Trustee, as trustee with respect to one or more Trusts, one or more Liquidity Providers, if applicable, and a Subordination Agent providing, among other things, for the distribution of payments made in respect of Equipment Notes held by such Trusts, or (b) such other agreement or agreements designated as an "Intercreditor Agreement" in the Trust Supplement relating to any Trust.

"Issuance Date": means, with respect to the Certificates of any series, the date of the issuance of such Certificates.

"Lease": means any lease between an Owner Trustee, as the lessor (or such other Person acting as the lessor), and the Company, as the lessee, referred to in the related Indenture, as such lease may be amended, supplemented or otherwise modified in accordance with its terms; and "Leases" means all such Leases.

"Letter of Representations": means, with respect to the Certificates of any series, an agreement among the Company, the Trustee and the initial Clearing Agency substantially in the form attached as an Exhibit to the related Trust Supplement, as such letter may be modified or supplemented, or any successor letter thereto.

"Liquidity Facility": means, with respect to the Certificates of any series or any Equipment Notes, (a) any revolving credit agreement, letter of credit, bank guarantee, insurance policy, surety bond or financial guaranty or any other type of agreement or arrangement for the provision of insurance, a guarantee or other credit enhancement or liquidity support relating to the Certificates of such series between a Liquidity Provider and a Subordination Agent or one or more other Persons, as amended, replaced, supplemented or otherwise modified from time to time in accordance with its terms and, if applicable, the terms of any Intercreditor Agreement, or (b) such other agreement or agreements designated as a "Liquidity Facility" in the Trust Supplement relating to any Trust.

"Liquidity Provider": means, with respect to the Certificates of any series, a bank, insurance company, financial institution or other Person that agrees to provide a Liquidity Facility for the benefit of the holders of Certificates of such series.

"Loan Trustee": means, with respect to any Equipment Note or the Indenture applicable thereto, the bank, trust company or other financial institution designated as loan or indenture trustee under such Indenture, and any successor to such Loan Trustee as such trustee; and "Loan Trustees" means all of the Loan Trustees under the Indentures.

"Note Documents": means, with respect to the Certificates of any series, the Equipment Notes with respect to such Certificates and, with respect to such Equipment Notes, the related Indenture, Participation Agreement, and, if the related Aircraft is leased to the Company, the related Lease and the related Purchase Agreement Assignment (as defined in the related Lease), if any, and if the Parent has guaranteed the obligations of the Company under any such Equipment Notes or Leases, the Parent Guarantee.

"Officer's Certificate": means a certificate signed in the case of the Company, the Trustee, an Owner Trustee or a Loan Trustee, a Responsible Officer of the Company, the Trustee or such Owner Trustee or such Loan Trustee, as the case may be.

"Opinion of Counsel": means a written opinion of legal counsel who: (a) in the case of counsel for the Company may be either a senior attorney of the Company one of whose principal duties is furnishing advice as to legal matters, or such outside counsel designated by the Company and reasonably acceptable to the Trustee, and (b) in the case of any Owner Trustee or any Loan Trustee, such counsel as they may designate, whether or not such counsel is an employee of any of them, and who shall be reasonably acceptable to the Trustee.

"Outstanding": when used with respect to Certificates of any series, means, as of the date of determination, all Certificates of such series theretofore authenticated and delivered under this Agreement, except:

(i) Certificates of such series theretofore cancelled by the Registrar or delivered to the Trustee or the Registrar for cancellation;

(ii) all of the Certificates of such series if money in the full amount required to make the final distribution with respect to such series pursuant to Section 11.01 hereof has been theretofore deposited with the Trustee in trust for the Holders of the Certificates of such series as provided in Section 4.01, pending distribution of such money to such Certificateholders pursuant to payment of such final distribution payment; and

(iii) Certificates of such series in exchange for or in lieu of which other Certificates of such series have been authenticated and delivered pursuant to this Agreement.

"Owner Participant": means, with respect to any Equipment Note, the "Owner Participant", if any, as referred to in the Indenture pursuant to which such Equipment Note is issued and any permitted successor or assign of such Owner Participant; and "Owner Participants" at any time of determination means all of the Owner Participants thus referred to in the Indentures.

"Owner Trustee": means, with respect to any Equipment Note, the "Owner Trustee", if any, as referred to in the Indenture pursuant to which such Equipment Note is issued, not in its individual capacity but solely as trustee; and "Owner Trustees" means all of the Owner Trustees party to any of the related Indentures.

"Parent": means FedEx Corporation, a Delaware corporation, and its successors and assigns.

"Parent Guarantee": means, with respect to the Certificates of any series, a guarantee by the Parent of the obligations of the Company under any Equipment Notes other than those issued by an Owner Trustee or any Leases related to Equipment Notes to be acquired and held in the Trust as to which the Certificates of such series represent fractional undivided interests.

"Participation Agreement": means, with respect to the Certificates of any series, any participation, note purchase agreement or similar agreement providing for, among other things, the purchase of Equipment Notes by the Trustee on behalf of the relevant Trust; and "Participation Agreements" means all of such agreements.

"Paying Agent": means, with respect to the Certificates of any series, the paying agent maintained and appointed for the Certificates of such series pursuant to Section 7.12.

"Permitted Investments": means obligations of the United States of America or agencies or instrumentalities thereof for the payment of which the full faith and credit of the United States of America is pledged, maturing in not more than 60 days after the date of acquisition thereof or such lesser time as is required for the distribution of any Special Payments on a Special Distribution Date.

"Person": means any person, including any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, trustee, unincorporated organization, or government or any agency or political subdivision thereof.

"Pool Balance": means, with respect to the Certificates of any series as of any date, except to the extent otherwise provided in the applicable Trust Supplements, (i) the original aggregate face amount of the Certificates of such series less (ii) the aggregate amount of all distributions made in respect of such Certificates other than distributions made in respect of interest or premium or reimbursement of any costs or expenses incurred in connection therewith. The Pool Balance as of any Regular Distribution Date or Special Distribution Date with respect to such series shall be computed after giving effect to the payment of principal, if any, on the Equipment Notes or other Trust Property held in the Trust and the distribution thereof to be made on such date.

"Pool Factor": means, with respect to any series of Certificates as of any date, except to the extent otherwise provided in the applicable Trust Supplement, the quotient (rounded to the seventh decimal place, with 0.00000005 being rounded upward) computed by dividing (i) the Pool Balance of such series as of such date by (ii) the original aggregate face amount of the Certificates of such series. The Pool Factor as of any Regular Distribution Date or Special Distribution Date with respect to such series shall be computed after giving effect to the payment of principal, if any, on the Equipment Notes or other Trust Property held in the Trust relating to such series and the distribution thereof to be made on such date.

"Postponed Notes": means, with respect to any Trust or the related series of Certificates, the Equipment Notes to be held in such Trust as to which a Postponement Notice shall have been delivered pursuant to Section 2.02(b).

"Postponement Notice": means, with respect to any Trust or the related series of Certificates, an Officer's Certificate of the Company: (i) requesting that the Trustee temporarily postpone purchase of the related Equipment Notes to a date later than the Issuance Date of such series of Certificates, (ii) identifying the amount of the purchase price of each such Equipment Note and the aggregate purchase price for all such Equipment Notes, (iii) setting forth the reasons for such postponement, and (iv) with respect to each such Equipment Note, either (a) setting or resetting a new Transfer Date (which shall be on or prior to the applicable Cut-off Date) for payment by the Trustee of such purchase price and issuance of the related Equipment Note (subject to subsequent change from time to time in accordance with the relevant Participation Agreement), or (b) indicating that such new Transfer Date (which shall be on or prior to the applicable Cut-off Date) will be set by subsequent written notice not less than one Business Day prior to such new Transfer Date (subject to subsequent change from time to time in accordance with the relevant Participation Agreement).

"Potential Purchaser": has the meaning, with respect to any Certificateholder, specified in Section 6.01(d).

"Purchasing Certificateholder": has the meaning, with respect to any Certificateholder, specified in Section 6.01(d).

"Rating Agency": has the meaning specified in the Intercreditor Agreement.

"Record Date": means, with respect to any Trust or the related series of Certificates, (i) for Scheduled Payments to be distributed on any Regular Distribution Date, other than the final distribution with respect to such series, the 15th day (whether or not a Business Day) preceding such Regular Distribution Date, or such other date as shall be specified for such series in the applicable Trust Supplement, and (ii) for Special Payments to be distributed on any Special Distribution Date, other than the final distribution with respect to such series, the 15th day (whether or not a Business Day) preceding such Special Distribution Date, or such other date as shall be specified for such series in the applicable Trust Supplement.

"Register and Registrar": means, with respect to the Certificates of any series, the register maintained and the registrar appointed pursuant to Sections and 7.12, respectively.

"Regular Distribution Date": means, with respect to distributions of Scheduled Payments in respect of any series of Certificates, each date designated as such in this Agreement, until payment of all the Scheduled Payments to be made under the Equipment Notes held in the Trust have been made or until such Equipment Notes have been redeemed or otherwise prepaid in full.

"Request": means a request by the Company setting forth the subject matter of the request accompanied by an Officer's Certificate and an Opinion of Counsel as provided in Section 1.02 of this Basic Agreement.

"Responsible Officer": means, with respect to any Trustee, any Loan Trustee and any Owner Trustee, any officer in the Corporate Trust Department or similar department of the Trustee, such Loan Trustee or such Owner Trustee, as the case may be, or any other officer customarily performing functions similar to those performed by the persons who at the time shall be such officers or to whom any corporate trust matter is referred because of his knowledge of and familiarity with a particular subject, and with respect to the Company, its Chairman of the Board, its President, any Senior Vice President, the Chief Financial Officer, any Vice President, the Treasurer, the Controller or the Secretary.

"Responsible Party": means, with respect to the Certificates of any series, the Company or the other Person designated as such in the related Trust Supplement.

"Scheduled Payment": means, with respect to any Equipment Note, except to the extent otherwise provided in the applicable Trust Supplement, (i) any payment of principal or interest on such Equipment Note (other than any such payment which is not in fact received by the Trustee or any Subordination Agent within five days after the date on which such payment is scheduled to be made) or (ii) any distribution in respect of principal or interest on such Equipment Note to the Holders of the Certificates of any series with funds drawn under the Liquidity Facility for such series (other than any such payment which is not in fact received by the Trustee or any Subordination Agent within five days after the date upon which payment is scheduled to be made), which payment in the case of clause (i) or clause (ii) represents or is paid in respect of an installment of principal on such Equipment Note at the stated maturity of such installment, or the payment of regularly scheduled interest accrued on the unpaid principal amount of such Equipment Note, or both; provided, however, 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.

"SEC": means the Securities and Exchange Commission, as from time to time constituted or created under the Securities Exchange Act of 1934, as amended, or, if at any time after the execution of this instrument such Commission is not existing and performing the duties now assigned to it under the Trust Indenture Act, then the body performing such duties on such date.

"Securities Act": means the Securities Act of 1933, as amended.

"Selling Certificateholder": has the meaning, with respect to any Certificateholder, specified in Section 6.01(d).

"Special Distribution Date": means, with respect to the Certificates of any series, each date on which a Special Payment is to be distributed as specified in this Agreement.

"Special Payment": means, except to the extent otherwise provided in the applicable Trust Supplement, (i) any payment (other than a Scheduled Payment) in respect of, or any proceeds of, any Equipment Note held in a Trust or the Collateral or Trust Indenture Estate, as the case may be (in each case, as defined in each Indenture relating to such Trust), (ii) the amounts required to be distributed pursuant to the last paragraph of Section 2.02(b), or (iii) the amounts required to be distributed pursuant to the penultimate paragraph of Section 2.02(b).

"Special Payments Account": means, with respect to the Certificates of any series, the account or accounts created and maintained for such series pursuant to Section 4.01(b) and the related Trust Supplement.

"Specified Investments": means, with respect to any Trust, unless otherwise specified in the related Trust Supplement, (i) obligations of the United States Government or agencies thereof, or obligations guaranteed by the United States Government, (ii) open market commercial paper of any corporation incorporated under the laws of the United States of America or any State thereof rated at least P-2 or its equivalent by Moody's Investors Service, Inc. or at least A-2 or its equivalent by Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business (including the Trustee if such conditions are met), (iii) certificates of deposit issued by commercial banks organized under the laws of the United States or of any political subdivision thereof having a combined capital and surplus in excess of $500,000,000 which banks or their holding companies have a rating of A or its equivalent by Moody's Investors Service, Inc. or A2 or its equivalent by Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business (including the Trustee if such conditions are met); provided, however, that the aggregate amount at any one time so invested in certificates of deposit issued by any one bank shall not exceed 5% of such bank's capital and surplus, (iv) U.S. dollar denominated offshore certificates of deposit issued by, or offshore time deposits with, any commercial bank described in clause (iii) above or any subsidiary thereof, and (v) repurchase agreements with any financial institution having combined capital and surplus of at least $500,000,000 (including the Trustee if such conditions are met) with any of the obligations described in clauses (i) through (iv) as collateral; provided further that if all of the above investments are unavailable, the entire amounts to be invested may be used to purchase federal funds from an entity described in clause (iii) above; and provided further that no investment shall be eligible as a "Specified Investment" unless the final maturity or date of return of such investment is at least one Business Day prior to the Special Distribution Date next following the Cut-off Date for such Trust. The Trustee is hereby authorized, in making any investment described herein, to deal with itself (in its individual capacity) or with any one or more of its Affiliates, whether it or such Affiliate is acting as an agent of the Trustee or for any third person or dealing as principal for its own account.

"Subordination Agent": has the meaning, with respect to the Certificates of any series, specified therefor in the relevant Intercreditor Agreement.

"Substitute Aircraft": means, with respect to any Trust, any Aircraft of a type specified in the applicable Trust Supplement and, at the election of the Company, substituted prior to the applicable Cut-off Date, if any, pursuant to the terms of the applicable Trust Supplement.

"Transfer Date": has the meaning, with respect to the Certificates of any series, assigned to that term or any of the terms "Delivery Date", "Funding Date" or "Closing Date" in any relevant Participation Agreement, and in any event refers to any such date as it may be changed from time to time in accordance with the terms of such Participation Agreement.

"Triggering Event": has the meaning, with respect to the Certificates of any series, specified therefor in the relevant Intercreditor Agreement.

"Trust": means, with respect to the Certificates of any series, the separate trust created under this Basic Agreement and the applicable Trust Supplement.

"Trustee": means, with respect to any particular Trust, the institution executing this Basic Agreement as the Trustee, or its successor in interest, and any successor or other trustee appointed as provided herein (it being understood that the same institution need not act as the Trustee in respect of all of the Trusts created pursuant to this Basic Agreement and the Trust Supplements).

"Trust Indenture Act": means, with respect to any particular Trust, the Trust Indenture Act of 1939, as amended and in force at the date as of which the related Trust Supplement was executed.

"Trust Property": means, with respect to any Trust, except to the extent otherwise provided in the applicable Trust Supplement, (i) subject to any related Intercreditor Agreement, the Equipment Notes held as the property of such Trust, all monies at any time paid thereon and all monies due and to become due thereunder, (ii) debt instruments, if any, issued by the Company or the Parent in accordance with the first paragraph of Section 2.02(b), (iii) funds from time to time deposited in the related Escrow Account, the related Certificate Account and the related Special Payments Account and, subject to any related Intercreditor Agreement, any proceeds from the sale by the Trustee pursuant to Article VI hereof of any Equipment Note referred to in (i) above, (iv) all rights of such Trust and the Trustee, on behalf of the Trust, under any Intercreditor Agreement or Liquidity Facility, including, without limitation, all rights to receive all monies and other property payable thereunder, and (v) all monies or other property receivable under any Intercreditor Agreement or Liquidity Facility for such Trust.

"Trust Supplement": means an agreement supplemental hereto pursuant to which (i) a separate Trust is created for the benefit of the Holders of the Certificates of a series, (ii) the issuance of the Certificates of such series representing fractional undivided interests in such Trust is authorized and (iii) the terms of the Certificates of such series are established, as such agreement may from time to time be supplemented, amended or otherwise modified.

Section 1.02. Compliance Certificates and Opinions. Upon any application or request (except with respect to matters set forth in Article II) by the Company, any Owner Trustee or any Loan Trustee to the Trustee to take any action under any provision of this Basic Agreement or, in respect of the Certificates of any series, this Agreement, the Company, such Owner Trustee or such Loan Trustee, as the case may be, shall furnish to the Trustee (i) an Officer's Certificate stating that, in the opinion of the signer or signers, all conditions precedent, if any, provided for in this Basic Agreement or this Agreement relating to the proposed action have been complied with and (ii) an Opinion of Counsel stating that in the opinion of such counsel all such conditions precedent, if any, have been complied with, except that in the case of any such application or request as to which the furnishing of such documents is specifically required by any provision of this Basic Agreement or this Agreement relating to such particular application or request, no additional certificate or opinion need be furnished. Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Basic Agreement or, in respect of the Certificates of any series, this Agreement (other than a certificate provided pursuant to Section 8.04(d)) or any Trust Supplement shall include:

(1) a statement that each individual signing such certificate or opinion has read such covenant or condition and the definitions in this Basic Agreement or this Agreement relating thereto;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(3) a statement that, in the opinion of each such individual, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(4) a statement as to whether, in the opinion of each such individual, such condition or covenant has been complied with.

Section 1.03. Form of Documents Delivered to Trustee. In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters and any such Person may certify or give an opinion as to such matters in one or several documents.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Basic Agreement or, in respect of the Certificates of any series, this Agreement, they may, but need not, be consolidated and form one instrument.

Section 1.04. Directions of Certificate Holders. (a) Any direction, consent, request, demand, authorization, notice, waiver or other action provided by this Agreement or in respect of the Certificates of any series to be given or taken by Certificateholders (a "Direction") may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Certificateholders in person or by an agent or proxy duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Trustee and, when it is expressly required pursuant to this Agreement, to the Company or any Loan Trustee. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Certificateholders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent or proxy shall be sufficient for any purpose of this Agreement and conclusive in favor of the Trustee, the Company and the related Loan Trustee, if made in the manner provided in this Section 1.04.

(a) The fact and date of the execution by any Person of any such instrument or writing may be proved by the certificate of any notary public or other officer of any jurisdiction authorized to take acknowledgments of deeds or administer oaths that the Person executing such instrument acknowledged to him the execution thereof, or by an affidavit of a witness to such execution sworn to before any such notary or such other officer, and where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such certificate or affidavit shall also constitute sufficient proof of his authority. The fact and date of the execution of any such instrument or writing, or the authority of the Person executing the same, may also be proved in any other reasonable manner which the Trustee deems sufficient.

(b) In determining whether the Certificateholders of the requisite Fractional Undivided Interests of Certificates of any series Outstanding have given any Direction under this Agreement, Certificates owned by the Company, any related Owner Trustee, any related Owner Participant or any Affiliate of any such Person shall be disregarded and deemed not to be Outstanding for purposes of any such determination. In determining whether the Trustee shall be protected in relying upon any such Direction, only Certificates which the Trustee knows to be so owned shall be so disregarded. Notwithstanding the foregoing, (i) if any such Person owns 100% of the Certificates of any series Outstanding, such Certificates shall not be so disregarded, and (ii) if any amount of Certificates of any series owned by any such Person have been pledged in good faith, such Certificates shall not be disregarded if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Certificates and that the pledgee is not the Company, any related Owner Trustee, any related Owner Participant or any Affiliate of any such Person.

(c) The Company may, at its option, by delivery of an Officer's Certificate to the Trustee, set a record date to determine the Certificateholders in respect of the Certificates of any series entitled to give any Direction. Notwithstanding Section 316(c) of the Trust Indenture Act, such record date shall be the record date specified in such Officer's Certificate, which shall be a date not more than 30 days prior to the first solicitation of Certificateholders of the applicable series in connection therewith. If such a record date is fixed, such Direction may be given before or after such record date, but only the Certificateholders of record of the applicable series at the close of business on such record date shall be deemed to be Certificateholders for the purposes of determining whether Certificateholders of the requisite proportion of Outstanding Certificates of such series have authorized or agreed or consented to such Direction, and for that purpose the Outstanding Certificates of such series shall be computed as of such record date; provided, however, that no such Direction by the Certificateholders on such record date shall be deemed effective unless it shall become effective pursuant to the provisions of this Agreement not later than one year after such record date. Nothing in this paragraph shall be construed to prevent the Company from setting a new record date for any action for which a record date has previously been set pursuant to this paragraph (whereupon the record date previously set shall automatically and with no action by any Person be deemed cancelled and of no effect).

(d) Any Direction by the Holder of any Certificate shall bind the Holder of every Certificate issued upon the transfer thereof or in exchange therefor or in lieu thereof, whether or not notation of such Direction is made upon such Certificate.

(e) Except as otherwise provided in Section 1.04(c), Certificates of any series owned by or pledged to any Person shall have an equal and proportionate benefit under the provisions of this Agreement, without preference, priority or distinction as among all of the Certificates of such series.

(f) The Company and the Trustee may make reasonable rules for action by or at a meeting of Certificateholders.

ARTICLE II

ORIGINAL ISSUANCE OF CERTIFICATES;
ACQUISITION OF TRUST PROPERTY

Section 2.01. Amount Unlimited; Issuable in Series. (a) The aggregate face amount of Certificates that may be authenticated and delivered under this Basic Agreement is unlimited. The Certificates may be issued from time to time in one or more series and shall be designated generally as the "Pass Through Certificates", with such further designations added or incorporated in such title for the Certificates of each series as are specified in the related Trust Supplement. Each Certificate shall bear upon its face the designation so selected for the series to which it belongs. All Certificates of the same series shall be substantially identical except that the Certificates of a series may differ as to denomination and as may otherwise be provided in the Trust Supplement establishing the Certificates of such series. Each series of Certificates issued pursuant to this Agreement will evidence fractional undivided interests in the related Trust and, except as may be specified in any Intercreditor Agreement or in the applicable Trust Supplement, will have no rights, benefits or interests in respect of any other Trust or the Trust Property held therein. All Certificates of the same series shall be in all respects equally and ratably entitled to the benefits of this Agreement without preference, priority or distinction on account of the actual time or times of authentication and delivery, all in accordance with the terms and provisions of this Agreement.

(a) The following matters shall, if applicable, be established with respect to the Certificates of each series issued hereunder by a Trust Supplement executed and delivered (x) by and between the Company and the Trustee, or (y) if the Parent will guarantee the obligations of the Company under any Equipment Notes or any Leases related to Equipment Notes to be acquired and held in the Trust formed by such Trust Supplement, and the Company shall so determine, by and among the Parent, the Company and the Trustee:

(1) the formation of the Trust as to which the Certificates of such series represent fractional undivided interests and its designation (which designation shall distinguish such Trust from each other Trust created under this Basic Agreement and a Trust Supplement);

(2) the specific title of the Certificates of such series (which title shall distinguish the Certificates of such series from each other series of Certificates created under this Basic Agreement and a Trust Supplement);

(3) subject to Section 2.01(a) hereof, any limit upon the aggregate face amount of the Certificates of such series which may be authenticated and delivered under this Basic Agreement (which limit shall not pertain to Certificates authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Certificates of the series pursuant to Sections 3.03, 3.04, 3.05(d) and 3.06);

(4) the Cut-off Date with respect to the Certificates of such series and the related Trust;

(5) the Regular Distribution Dates applicable to the Certificates of such series;

(6) the Special Distribution Dates applicable to the Certificates of such series;

(7) if other than as provided in Section 3.04 or Section 7.12(b), the Registrar or the Paying Agent for the Certificates of such series, including any Co-Registrar or additional Paying Agent;

(8) if other than as provided in Section 3.01, the denominations in which the Certificates of such series shall be issuable;

(9) if other than United States dollars, the currency or currencies (including composite currencies or currency units) in which the Certificates of such series shall be denominated or payable, in whole or in part;

(10) the specific form of the Certificates of such series (including the interest rate applicable thereto) and whether or not Certificates of such series are to be issued as Book-Entry Certificates and, if such Certificates are to be Book-Entry Certificates, the form of Letter of Representations, if any;

(11) a description of the Equipment Notes to be acquired and held in the Trust formed by such Trust Supplement and of the related Aircraft and Note Documents;

(12) provisions with respect to the terms for which the definitions set forth in Article I hereof or the terms of any Section hereof, including Section 11.01 hereof, permit or require further specification in the related Trust Supplement;

(13) any restrictions (including legends) in respect of ERISA or tax matters;

(14) the acceptance of appointment by the institution named to act as Trustee with respect to such Trust, if different from the institution executing this Basic Agreement or its successor;

(15) whether such series will be subject to an Intercreditor Agreement and, if so, the specific designation of such Intercreditor Agreement and the rights of Potential Purchasers upon the occurrence of a Triggering Event;

(16) whether such series will have the benefit of a Liquidity Facility and, if so, any terms appropriate thereto;

(17) whether there will be a deposit agreement, escrow agreement or other arrangement prior to the delivery of one or more Aircraft or the commencement of the Lease in respect of one or more Aircraft and, if so, any terms appropriate thereto;

(18) the extent, if any, to which the Company may acquire Certificates and deliver such Certificates or cash to the respective Trusts and obtain the release of Equipment Notes or other Trust Property held by such Trusts;

(19) if the Certificates of such series are to be issued in bearer form (provided that prior to issuing such bearer form certificate, the Company shall have received an opinion of counsel to the effect that such issuance would not result in adverse tax consequences to the Company, Trust or beneficial owner of certificates), the forms thereof and any other special terms relating thereto;

(20) the "Responsible Party" for purposes of directing the Trustee to make Specified Investments;

(21) whether the Parent will guarantee the obligations of the Company under any Equipment Notes other than those issued by an Owner Trustee or any Leases related to Equipment Notes to be acquired and held in the Trust formed by such Trust Supplement and, if so, the specific form of such Parent Guarantee;

(22) whether the Certificates of any series will be issued in transactions registered under the Securities Act or transactions exempt from the Securities Act and any related transfer restrictions on the Certificates; and

(23) any other terms of the Certificates of such series or Parent Guarantee (which terms shall not be inconsistent with the provisions of the Trust Indenture Act but may modify, amend, supplement or delete any of the terms of this Basic Agreement), including any terms of the Certificates of such series which may be required or advisable under United States laws or regulations or advisable (as determined by the Company) in connection with the marketing of Certificates of the series.

(b) At any time and from time to time after the execution and delivery of this Basic Agreement and a Trust Supplement forming a Trust and establishing the terms of Certificates of a series, Certificates of such series shall be executed, authenticated and delivered by the Trustee to the Person or Persons specified by the Company upon request of the Company and upon satisfaction or waiver of any conditions precedent set forth in such Trust Supplement or in any other document to which a Trustee is a party relating to the issuance of the Certificates of such series.

Section 2.02. Acquisition of Equipment Notes. (a) Unless otherwise specified in the related Trust Supplement, on or prior to the Issuance Date of the Certificates of a series, the Trustee shall execute and deliver the related Participation Agreements in the form delivered to the Trustee by the Company. Unless otherwise specified in the related Trust Supplement, the Trustee shall issue and sell such Certificates, in authorized denominations and in such Fractional Undivided Interests, so as to result in the receipt of consideration in an amount equal to the aggregate purchase price of the Equipment Notes (and/or, if applicable, any notes issued by a trust or other entity secured by Equipment Notes) contemplated to be purchased by the Trustee under the related Participation Agreements and, concurrently therewith (unless the Company shall have delivered to the Trustee the Postponement Notice relating to one or more Postponed Notes pursuant to Subsection (b) below), the Trustee shall purchase, pursuant to the terms and conditions of the Participation Agreements, such Equipment Notes (except Postponed Notes, if any) at a purchase price equal to the amount of such consideration so received. Except as provided in Sections 3.03, 3.04, 3.05 and 3.06 hereof, the Trustee shall not execute, authenticate or deliver Certificates of such series in excess of the aggregate amount specified in this paragraph. The provisions of this Subsection (a) are subject to the provisions of Subsection (b) below.

(a) If on or prior to the Issuance Date with respect to a series of Certificates the Company shall deliver to the Trustee a Postponement Notice relating to one or more Postponed Notes, the Trustee shall postpone the purchase of such Postponed Notes and shall deposit into an escrow account (as to the related Trust, the "Escrow Account") to be maintained as part of the related Trust an amount equal to the purchase price of such Postponed Notes (the "Escrowed Funds"). The portion of the Escrowed Funds so deposited with respect to any particular Postponed Notes shall be invested (a) by the Trustee at the direction and risk of, and for the benefit of, the Responsible Party in Specified Investments or (b) if provided in the Trust Supplement relating to such series of Certificates and subject to the terms and conditions set forth therein, in debt instruments of the Company or the Parent, in each case (i) maturing no later than any scheduled Transfer Date relating to such Postponed Notes, or (ii) if no such Transfer Date has been scheduled, maturing on the next Business Day, or (iii) if subsequent to the giving of the applicable Postponement Notice the Company has given notice to the Trustee that such Postponed Notes will not be issued, maturing on the next applicable Special Distribution Date, if such investments are reasonably available for purchase.

The Trustee shall make withdrawals from the Escrow Account only as provided in this Agreement and the other Note Documents. Upon request of the Company on one or more occasions and the satisfaction or waiver of the closing conditions specified in the applicable Participation Agreements on or prior to the related Cut-off Date, the Trustee shall purchase the applicable Postponed Notes, on the terms specified in such Participation Agreements, with the Escrowed Funds withdrawn from the Escrow Account.

The Trustee shall hold all Specified Investments until the maturity thereof and will not sell or otherwise transfer Specified Investments. If Specified Investments held in an Escrow Account mature prior to any applicable Transfer Date, any proceeds received on the maturity of such Specified Investments (other than any earnings thereon) shall be reinvested by the Trustee at the written direction and risk of, and for the benefit of, the Responsible Party in Specified Investments maturing as provided in the preceding paragraph.

Subject to the provisions of the Intercreditor Agreement, any earnings on Specified Investments received from time to time by the Trustee shall be promptly distributed to the Responsible Party. The Responsible Party shall pay to the Trustee for deposit to the relevant Escrow Account an amount equal to any net losses on any Specified Investments made at its direction and risk as incurred. On any Regular Distribution Date in respect of the Certificates of any series occurring prior to the date of purchase of any Postponed Notes by the Trustee, the Responsible Party will pay (in immediately available funds) to the Trustee an amount equal to the interest that would have accrued on such Postponed Notes if such Postponed Notes had been purchased on the later of the Issuance Date or the previous Regular Distribution Date in respect of the Certificates of such series to, but not including, such Regular Distribution Date. On the first Regular Distribution Date in respect of the Certificates of any series following the purchase of any Postponed Notes by the Trustee, the Responsible Party will pay (in immediately available funds) to the Trustee an amount equal to the interest that would have accrued on such Postponed Notes if such Postponed Notes had been purchased on the later of the Issuance Date or the previous Regular Distribution Date in respect of the Certificates of such series to, but not including, the date of the purchase of such Postponed Notes by the Trustee.

If, in respect of the Certificates of any series, the Company notifies the Trustee prior to the Cut-off Date that any Postponed Notes will not be issued on or prior to the Cut-off Date for any reason, on the next Special Distribution Date for such Certificates occurring not less than 15 days following the date of such notice, (i) the Responsible Party shall pay (in immediately available funds) to the Trustee for deposit in the related Special Payments Account, an amount equal to the interest that would have accrued on the Postponed Notes designated in such notice from the later of the Issuance Date or the previous Regular Distribution Date in respect of the Certificates of such series to, but not including, such Special Distribution Date and (ii) the Trustee shall transfer an amount equal to that amount of Escrowed Funds that would have been used to purchase the Postponed Notes designated in such notice and the amount paid by the Responsible Party pursuant to the immediately preceding clause (i) to the related Special Payments Account for distribution as a Special Payment in accordance with the provisions hereof.

If, on such Cut-off Date, an amount equal to less than all of the Escrowed Funds (other than Escrowed Funds referred to in the immediately preceding paragraph) has been used to purchase Postponed Notes, on the next Special Distribution Date occurring not less than 15 days following such Cut-off Date (i) the Responsible Party shall pay to the Trustee for deposit in such Special Payments Account, in immediately available funds, an amount equal to the interest that would have accrued on such Postponed Notes contemplated to be purchased with such unused Escrowed Funds (other than Escrowed Funds referred to in the immediately preceding paragraph) but not so purchased from the later of the Issuance Date or the previous Regular Distribution Date in respect of the Certificates of such series to, but not including, such Special Distribution Date and (ii) the Trustee shall transfer such unused Escrowed Funds and the amount paid by the Responsible Party pursuant to the immediately preceding clause (i) to such Special Payments Account for distribution as a Special Payment in accordance with the provisions hereof.

Section 2.03. Acceptance by Trustee. The Trustee, by the execution and delivery of a Trust Supplement creating a Trust and establishing a series of Certificates, shall acknowledge its acceptance of all right, title and interest in and to the Trust Property to be acquired pursuant to Section 2.02 hereof and the related Participation Agreements and shall declare that the Trustee holds and will hold such right, title and interest for the benefit of all then present and future Certificateholders of such series, upon the trusts herein and in such Trust Supplement set forth. By the acceptance of each Certificate of such series issued to it under this Agreement, each initial Holder of such series as grantor of such Trust shall thereby join in the creation and declaration of such Trust. No Certificateholder of any series shall have legal title to any part of the Trust Property of the related Trust.

Section 2.04. Limitation of Powers. Each Trust shall be constituted solely for the purpose of making the investment in the Equipment Notes provided for in the related Trust Supplement, and, except as set forth herein or in such related Trust Supplement, the Trustee shall not be authorized or empowered to acquire any other investments or engage in any other activities. The Trustee shall not be authorized or empowered to do anything that would cause such Trust to fail to qualify as a "grantor trust" for federal income tax purposes (including as subject to this restriction, acquiring any Aircraft (as defined in the related Indentures) by bidding such Equipment Notes or otherwise, or taking any action with respect to any such Aircraft once acquired).

ARTICLE III

THE CERTIFICATES

Section 3.01. Form, Denomination and Execution of Certificates. Except to the extent otherwise specified in the applicable Trust Supplement, the Certificates of each series shall be issued in fully registered form without coupons and shall be substantially in the form specified in such Trust Supplement, with such omissions, variations and insertions as are permitted by this Agreement, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply with any applicable laws, rules, regulations or the rules of any securities exchange on which such Certificates may be listed or to conform to any usage in respect thereof, or as may, consistently herewith, be determined by the Trustee or the officers executing such Certificates, as evidenced by the Trustee's or such officers' execution of the Certificates.

Except as provided in Section 3.05, the definitive Certificates of such series shall be typed, printed, lithographed or engraved or produced by any combination of these methods or may be produced in any other manner permitted by the rules of any securities exchange on which the Certificates may be listed, all as determined by the officers executing such Certificates, as evidenced by their execution of such Certificates.

Except as otherwise provided in the related Trust Supplement, the Certificates of each series shall be issued in minimum denominations of $1,000 or integral multiples thereof except that one Certificate of such series may be issued in a different denomination. The Certificates of such series shall be executed on behalf of the Trustee by manual or facsimile signature of a Responsible Officer of the Trustee. Certificates of any series bearing the manual or facsimile signature of an individual who was, at the time when such signature was affixed, authorized to sign on behalf of the Trustee shall be valid and binding obligations of the Trustee, notwithstanding that such individual has ceased to be so authorized prior to the authentication and delivery of such Certificates or did not hold such office at the date of such Certificates.

Section 3.02. Authentication of Certificates. (a) Except to the extent otherwise specified in the applicable Trust Supplement, on the Issuance Date, the Trustee shall duly execute, authenticate and deliver Certificates of each series in authorized denominations equaling in the aggregate the aggregate face amount of the Equipment Notes that may be purchased by the Trustee pursuant to the related Participation Agreements, and evidencing the entire ownership of the related Trust. Thereafter, the Trustee shall duly execute, authenticate and deliver the Certificates of such series as herein provided.

(a) No Certificate of any series shall be entitled to any benefit under this Agreement, or be valid for any purpose, unless there appears on such Certificate a certificate of authentication substantially in the form set forth in the Trust Supplement relating to such series of Certificates hereto executed by the Trustee by manual, facsimile or other electronic signature, and such certificate of authentication upon any Certificate shall be conclusive evidence, and the only evidence, that such Certificate has been duly authenticated and delivered hereunder. All Certificates of any series shall be dated the date of their authentication.

Section 3.03. Temporary Certificates. Until definitive Certificates are ready for delivery, the Trustee shall execute, authenticate and deliver temporary Certificates of each series. Temporary Certificates of each series shall be substantially in the form of definitive Certificates of such series but may have insertions, substitutions, omissions and other variations determined to be appropriate by the officers executing the temporary Certificates of such series, as evidenced by their execution of such temporary Certificates. If temporary Certificates of any series are issued, the Trustee will cause definitive Certificates of such series to be prepared without unreasonable delay. After the preparation of definitive Certificates of such series, the temporary Certificates shall be exchangeable for definitive Certificates upon surrender of such temporary Certificates at the Corporate Trust Office or the office or agency of the Trustee designated for such purpose pursuant to Section 7.12, without charge to the Certificateholder. Upon surrender for cancellation of any one or more temporary Certificates, the Trustee shall execute, authenticate and deliver in exchange therefor a like face amount of definitive Certificates of like series, in authorized denominations and of a like Fractional Undivided Interest. Until so exchanged, such temporary Certificates shall be entitled to the same benefits under this Agreement as definitive Certificates of such series.

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 a register (the "Register") for each series of Certificates in which, subject to such reasonable regulations as it may prescribe, the Trustee shall provide for the registration of Certificates of such series and of transfers and exchanges of such Certificates as herein provided. The Trustee shall initially be the registrar (the "Registrar") for the purpose of registering such Certificates of each series and transfers and exchanges of such Certificates as herein provided.

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

Upon surrender for registration of transfer of any Certificate at the Corporate Trust Office or such other office or agency, the Trustee shall execute, authenticate and deliver, in the name of the designated transferee or transferees, one or more new Certificates of like series, in authorized denominations of a like aggregate Fractional Undivided Interest.

At the option of a Certificateholder, Certificates may be exchanged for other Certificates of like series, in authorized denominations and of a like aggregate Fractional Undivided Interest, upon surrender of the Certificates to be exchanged at any such office or agency. Whenever any Certificates are so surrendered for exchange, the Trustee shall execute, authenticate and deliver the Certificates that the Certificateholder making the exchange is entitled to receive. Every Certificate presented or surrendered for registration of transfer or exchange shall be duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Trustee and the Registrar duly executed by the Certificateholder thereof or its attorney duly authorized in writing.

Except to the extent otherwise provided in the applicable Trust Supplement, no service charge shall be made to a Certificateholder for any registration of transfer or exchange of 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 Certificates. All Certificates surrendered for registration of transfer or exchange shall be cancelled and subsequently destroyed by the Trustee.

Section 3.05. Book-Entry and Definitive Certificates. (a) Except for one Certificate of each series that may be issued in a denomination of other than an even multiple of $1,000, the Certificates of any series may be issued at the option of the Company in the form of one or more typewritten Certificates representing the Book-Entry Certificates of such series, to be delivered to The Depository Trust Company, the initial Clearing Agency, by, or on behalf of, the Company. In such case, the Certificates of such series delivered to The Depository Trust Company shall initially be registered on the Register in the name of the initial Clearing Agency, Cede & Co., the nominee of the initial Clearing Agency or such other nominee of the initial Clearing Agency as it may so direct, and no Certificate Owner will receive a definitive certificate representing such Certificate Owner's interest in the Certificates of such series, except as provided in Subsection (d) below. As to the Certificates of any such series (other than the one Certificate or such series issued in a denomination of other than an even multiple of $1,000), unless and until definitive, fully registered Certificates (the "Definitive Certificates") have been issued pursuant to Subsection (d) below:

(1) the provisions of this Section 3.05 shall be in full force and effect;

(2) the Company, the Paying Agent, the Registrar and the Trustee may deal with the Clearing Agency for all purposes (including the making of distributions on the Certificates);

(3) to the extent that the provisions of this Section conflict with any other provisions of this Agreement (other than the provisions of any Trust Supplement expressly amending this Section 3.05 as permitted by this Basic Agreement), the provisions of this Section 3.05 shall control;

(4) the rights of Certificate Owners shall be exercised only through the Clearing Agency and shall be limited to those established by law and agreements between such Certificate Owners and the Clearing Agency Participants; and until Definitive Certificates are issued pursuant to Subsection (d) below, the Clearing Agency will make book-entry transfers among the Clearing Agency Participants and receive and transmit distributions of principal, interest and premium, if any, on the Certificates to such Clearing Agency Participants;

(5) such Certificates of such series may be transferred in whole, but not in part, and in the manner provided in Section 3.04, by the Clearing Agency holding such Certificates to a nominee of such Clearing Agency, or by such Clearing Agency to a successor Clearing Agency that has been selected or approved by the Company or to a nominee of such successor Clearing Agency; and

(6) whenever this Agreement requires or permits actions to be taken based upon instructions or directions of Certificateholders of such series holding Certificates of such series evidencing a specified percentage of the Fractional Undivided Interests in the related Trust, the Clearing Agency shall be deemed to represent such percentage only to the extent that it has received instructions to such effect from Clearing Agency Participants owning or representing, respectively, such required percentage of the beneficial interest in Certificates of such series and has delivered such instructions to the Trustee. None of the Company, the Parent or the Trustee or any agent of any of them shall have any obligation to determine whether the Clearing Agency has in fact received any such instructions.

(b) Whenever notice or other communication to the Certificateholders of a series is required under this Agreement, unless and until Definitive Certificates shall have been issued pursuant to Subsection (d) below, the Trustee shall give all such notices and communications specified herein to be given to Certificateholders of such series to the Clearing Agency.

(c) Except as otherwise provided in the related Trust Supplement, the Trustee shall enter into the applicable Letter of Representations with respect to each series of Certificates and fulfill its responsibilities thereunder.

(d) If with respect to the Certificates of any series (i) the Company advises the Trustee in writing that the Clearing Agency is no longer willing or able to discharge properly its responsibilities and the Trustee or the Company is unable to locate a qualified successor, (ii) the Company, at its option, advises the Trustee in writing that it elects to terminate the book-entry system through the Clearing Agency or (iii) after the occurrence of an Event of Default, Certificate Owners of Book-Entry Certificates of such series evidencing Fractional Undivided Interests aggregating not less than a majority in interest in the related Trust, by Act of such Certificate Owners delivered to the Company and the Trustee, advise the Company, the Trustee and the Clearing Agency through the Clearing Agency Participants in writing that the continuation of a book-entry system through the Clearing Agency Participants is no longer in the best interests of the Certificate Owners of such series, then the Trustee shall notify all Certificate Owners of such series, through the Clearing Agency, of the occurrence of any such event and of the availability of Definitive Certificates. Upon surrender to the Trustee of all the Certificates of such series held by the Clearing Agency, accompanied by registration instructions from the Clearing Agency Participants for registration of Definitive Certificates in the names of Certificate Owners of such series, the Trustee shall issue and deliver the Definitive Certificates of such series in accordance with the instructions of the Clearing Agency. Neither the Company, the Registrar, the Paying Agent nor the Trustee shall be liable for any delay in delivery of such instructions and may conclusively rely on, and shall be protected in relying on, such registration instructions. Upon the issuance of Definitive Certificates of such series, the Trustee shall recognize the Persons in whose names the Definitive Certificates are registered in the Register as Certificateholders hereunder. Neither the Company nor the Trustee shall be liable if the Trustee or the Company is unable to locate a qualified successor Clearing Agency.

(e) The provisions of this Section 3.05 may be made inapplicable to any series or may be amended with respect to any series in the related Trust Supplement.

(f) Unless and until Definitive Certificates of a series are issued pursuant to subsection (c) above, on the Record Date prior to each applicable Regular Distribution Date and Special Distribution Date, the Trustee will request from the Clearing Agency a securities position listing setting forth the names of all Clearing Agency Participants reflected on the Clearing Agency's books as holding interests in the Certificates on such Record Date.

Section 3.06. Mutilated, Destroyed, Lost or Stolen Certificates. If (i) any mutilated Certificate is surrendered to the Registrar, or the Registrar receives evidence to its satisfaction of the destruction, loss or theft of any Certificate, and (ii) there is delivered to the Registrar and the Trustee such security, indemnity or bond as may be required by them to save each of them and the Company harmless, then, in the absence of notice to the Registrar or the Trustee that such destroyed, lost or stolen Certificate has been acquired by a protected purchaser (within the meaning of Article 8 of the Uniform Commercial Code in effect in any applicable jurisdiction), and provided that the requirements of Section 8-405 of the Uniform Commercial Code in effect in any applicable jurisdiction are met, the Trustee shall execute, authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Certificate, a new Certificate or Certificates of like series, in authorized denominations and of like Fractional Undivided Interest and bearing a number not contemporaneously outstanding.

In connection with the issuance of any new Certificate under this Section 3.06, the Trustee shall require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee and the Registrar) connected therewith.

Any duplicate Certificate issued pursuant to this Section 3.06 shall constitute conclusive evidence of the appropriate Fractional Undivided Interest in the related Trust, as if originally issued, whether or not the lost, stolen or destroyed Certificate is found at any time.

The provisions of this Section 3.06 are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Certificates.

Section 3.07. Persons Deemed Owners. Prior to due presentment of a Certificate for registration of transfer, the Company, the Trustee, the Registrar and any Paying Agent shall deem and treat the Person in whose name any Certificate is registered (as of the day of determination) on the Register as the owner of such Certificate and the Certificateholder for the purpose of receiving distributions pursuant to Article IV and for all other purposes whatsoever, and none of the Company, the Trustee, the Registrar or any Paying Agent shall be affected by any notice to the contrary. All payments or distributions made to any such Person shall be valid and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for moneys payable on any such Certificate.

Unless otherwise provided with respect to any Certificates pursuant to Section 2.01(b), the Company, the Parent, any other obligor upon any Certificates and any Affiliate of any thereof may acquire, tender for, purchase, own, hold, become the pledgee of and otherwise deal with any Certificates.

Section 3.08. Cancellation. All Certificates surrendered for payment or transfer or exchange shall, if surrendered to the Trustee or any agent of the Trustee other than the Registrar, be delivered to the Registrar for cancellation and shall promptly be cancelled by it. No Certificates shall be authenticated in lieu of or in exchange for any Certificates cancelled as provided in this Section 3.08, except as expressly permitted by this Agreement. All cancelled Certificates held by the Registrar shall be destroyed and a certification of their destruction delivered to the Trustee with a copy to the Company.

Section 3.09. Limitation of Liability for Payments. All payments and distributions made to Certificateholders of any series in respect of the Certificates of such series shall be made only from the Trust Property of the related Trust and only to the extent that the Trustee shall have sufficient income or proceeds from such Trust Property to make such payments in accordance with the terms of Article IV of this Agreement. The Certificates do not represent indebtedness of the related Trusts, and references herein or in any Trust Supplement to interest accruing on any Certificates are intended for purposes of computation only. Each Certificateholder, by its acceptance of a Certificate, agrees that it will look solely to the income and proceeds from the Trust Property of the related Trust for any payment or distribution due to such Certificateholder pursuant to the terms of this Agreement and that it will not have any recourse to the Company, the Parent, the Trustee, the Loan Trustees, any Owner Trustee or any Owner Participant except as otherwise expressly provided in this Agreement, in any Note Document or in any related Intercreditor Agreement.

The Company is a party to this Agreement solely for purposes of meeting the requirements of the Trust Indenture Act, and therefore shall not have any right, obligation or liability hereunder, or under the terms of any Trust Supplement or any Certificates (except as otherwise expressly provided herein or therein).

Section 3.10. CUSIP Numbers. The Certificates may include "CUSIP" numbers (if then generally in use), and if so, the Trustee may use the CUSIP numbers in notices in respect of the Certificates; provided, however, that any such notice may state that no representation is made as to the correctness or accuracy of the CUSIP number printed in the notice or on the Certificates, that reliance may be placed only on the other identification numbers printed on the Certificates, and any such notice shall not be affected by any defect or omission of such CUSIP numbers.

ARTICLE IV

DISTRIBUTIONS; STATEMENTS TO CERTIFICATEHOLDERS

Section 4.01. Certificate Account and Special Payments Account. (a) The Trustee shall establish and maintain on behalf of the Certificateholders of each series a Certificate Account as one or more non-interest-bearing accounts. The Trustee shall hold such Certificate Account in trust for the benefit of the Certificateholders of such series, and shall make or permit withdrawals therefrom only as provided in this Agreement or any Intercreditor Agreement. On each day when a Scheduled Payment is made to the Trustee or the Subordination Agent, as the case may be, as holder of the Equipment Notes issued under the related Indenture, with respect to the Certificates of any series, the Trustee, upon receipt of the payments to it, shall immediately deposit the aggregate amount of such Scheduled Payment in the applicable Certificate Account.

(a) The Trustee shall establish and maintain on behalf of the Certificateholders of each series a Special Payments Account as one or more accounts, which shall be non-interest bearing except as provided in Section 4.04. The Trustee shall hold the Special Payments Account in trust for the benefit of the Certificateholders of such series and shall make or permit withdrawals therefrom only as provided in this Agreement or any Intercreditor Agreement. On each day when one or more Special Payments are made to the Trustee or the Subordination Agent, as the case may be, as holder of the Equipment Notes issued under the related Indenture or to the Trustee pursuant to the last two paragraphs of Section 2.02(b) with respect to the Certificates of any series, the Trustee, upon receipt of the payments to it, shall immediately deposit the aggregate amount of such Special Payments in the applicable Special Payments Account.

(b) The Trustee shall present (or, if applicable, cause the Subordination Agent to present) to the Loan Trustee to which an Equipment Note relates such Equipment Note on the date of its stated final maturity or, in the case of any Equipment Note which is to be redeemed or purchased in whole pursuant to the related Indenture, on the applicable redemption or purchase date under such Indenture.

Section 4.02. Distributions from Certificate Account and Special Payments Account. (a) Subject to the provisions of any Intercreditor Agreement, on each Regular Distribution Date with respect to a series of Certificates or as soon thereafter as the Trustee has confirmed receipt of the payment of all or any part of the Scheduled Payments due on the Equipment Notes held in the related Trust on such date, the Trustee shall distribute out of the applicable Certificate Account the entire amount deposited therein pursuant to Section 4.01(a). There shall be so distributed to each Certificateholder of record of such series on the Record Date with respect to such Regular Distribution Date (other than as provided in Section 11.01 concerning the final distribution) by check mailed to such Certificateholder, at the address appearing in the Register, such Certificateholder's pro rata share (based on the aggregate Fractional Undivided Interest in the related Trust held by such Certificateholder) of the total amount in the applicable Certificate Account, 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 in immediately available funds to the account designated by such Clearing Agency (or such nominee).

(a) Subject to the provisions of any Intercreditor Agreement, on each Special Distribution Date with respect to any Special Payment with respect to a series of Certificates or as soon thereafter as the Trustee has confirmed receipt of any Special Payments due on the Equipment Notes held in the related Trust or realized upon the sale of such Equipment Notes, the Trustee shall distribute out of the applicable Special Payments Account the entire amount of such applicable Special Payment deposited therein pursuant to Section 4.01(b). There shall be so distributed to each Certificateholder of record of such series on the Record Date with respect to such Special Distribution Date (other than as provided in Section 11.01 concerning the final distribution) by check mailed to such Certificateholder, at the address appearing in the Register, such Certificateholder's pro rata share (based on the aggregate Fractional Undivided Interest in the related Trust held by such Certificateholder) of the total amount in the applicable Special Payments Account on account of such Special Payment, 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 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 with respect to a series of Certificates to be mailed to each Certificateholder of such series at his address as it appears in the Register. Subject to the provisions of any Intercreditor Agreement: (i) in the event of redemption or purchase of Equipment Notes held in the related 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; (ii) in the event that the Trustee receives a notice from the Company pursuant to Section 2.02(b) that Postponed Notes will not be purchased by the Trustee, such notice of Special Payment shall be mailed as soon as practicable after receipt of such notice from the Company and shall state the Special Distribution Date for such Special Payment, which shall occur 15 days after the date of such notice of Special Payment or (if such 15th day is not practicable) as soon as practicable thereafter; (iii) in the event that any Special Payment is to be made pursuant to the last paragraph of Section 2.02(b), such notice of Special Payment shall be mailed on the Cut-off Date (or, if such mailing on the Cut-off Date is not practicable, as soon as practicable after the Cut-off Date) and shall state the Special Distribution Date for such Special Payment, which shall occur 15 days after the date of such notice of Special Payment or (if such 15th day is not practicable) as soon as practicable thereafter; and (iv) in the case of any other Special Payments, such notice of Special Payment shall be mailed as soon as practicable after the Trustee has confirmed that it has received funds for such Special Payment and shall state the Special Distribution Date for such Special Payment, which shall occur 15 days after the date of such notice of Special Payment or (if such 15th day is not practicable) as soon as practicable thereafter. Notices mailed by the Trustee as provided in the paragraphs above shall set forth:

(i) the Special Distribution Date and the Record Date therefor (except as otherwise provided in Section 11.01);

(ii) the amount of the Special Payment (taking into account any payment to be made by the Responsible Party pursuant to Section 2.02(b)) for each $1,000 face amount Certificate and the amount thereof constituting principal, premium, 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 for the Certificates of such series, the total amount to be received on such date for each $1,000 face amount Certificate.

If the amount of premium, if any, payable upon the redemption or purchase of an 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 received will also be distributed.

If any redemption or purchase of the Equipment Notes held in any Trust is cancelled, the Trustee, as soon as possible after learning thereof, shall cause notice thereof to be mailed to each Certificateholder of the related series at its address as it appears on the Register.

Section 4.03. Statements to Certificateholders. (a) On each Regular Distribution Date and Special Distribution Date, the Trustee will include with each distribution to Certificateholders of the related series a statement, giving effect to the distribution to be made on such Regular Distribution Date or Special Distribution Date, and, except to the extent otherwise provided in the applicable Trust Supplement, setting forth the following information (per $1,000 aggregate face amount of Certificates as to (i) and (ii) below):

(i) the amount of such distribution allocable to principal and the amount allocable to premium, if any;

(ii) the amount of such distribution allocable to interest; and

(iii) the Pool Balance and the Pool Factor of the related Trust.

With respect to the Certificates registered in the name of a Clearing Agency or its nominee, on the Record Date prior to each Regular Distribution Date and Special Distribution Date, the Trustee will request from the Clearing Agency a securities position listing setting forth the names of all the Clearing Agency Participants reflected on the Clearing Agency's books as holding interests in the Certificates on such Record Date. On each Regular Distribution Date and Special Distribution Date, the applicable 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 Participants for forwarding to holders of the interests in 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, except to the extent otherwise provided in the applicable Trust Supplement, the Trustee shall furnish to each Person who at any time during such calendar year was a Certificateholder of record a statement containing the sum of the amounts determined pursuant to clauses (a)(i) and (a)(ii) above with respect to the related Trust for such calendar year or, in the event such Person was a Certificateholder of record during a portion of such calendar year, for the applicable portion of such year, and such other items as are readily available to the Trustee and which a Certificateholder may reasonably request as necessary for the purpose of such Certificateholder's preparation of its federal income tax returns. With respect to Certificates registered in the name of a Clearing Agency or its nominee, 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 beneficial owners of interests in the Certificates.

Section 4.04. Investment of Special Payment Moneys. Any money received by the Trustee pursuant to Section 4.01(b) representing a Special Payment which is not distributed on the date received shall, to the extent practicable, be invested by the Trustee in Permitted Investments selected by the Company in telephonic (confirmed in writing) or written instructions to the Trustee pending distribution of such Special Payment pursuant to Section 4.02. Any investment made pursuant to this Section 4.04 shall be in such Permitted Investments having maturities not later than the date that such moneys are required to be used to make the payment required under Section 4.02 on the applicable Special Distribution Date and the Trustee shall hold any such Permitted Investments until maturity. The proceeds upon maturity of any Permitted Investment shall not be reinvested pending distribution. Absent receipt of instructions from the Company, such Special Payment shall remain uninvested by the Trustee pending receipt of investment instructions. The Trustee shall have no liability with respect to any investment made pursuant to this Section 4.04, other than by reason of the willful misconduct or negligence of the Trustee. All income and earnings from such investments shall be distributed on such Special Distribution Date as part of such Special Payment.

ARTICLE V

THE COMPANY

Section 5.01. Maintenance of Corporate Existence. The Company, at its own cost and expense, will do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence, rights and franchises, except as otherwise specifically permitted in Section 5.02; provided, however, that the Company shall not be required to preserve any right or franchise if the Company determines that the preservation thereof is no longer desirable in the conduct of the business of the Company.

Section 5.02. Consolidation, Merger, Etc.. (a) The Company shall not consolidate with or merge into any other Person under circumstances where the Company is not the surviving Person or convey, transfer or lease substantially all of its assets as an entirety to any Person unless the Person 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 organized and validly existing under the laws of the United States of America or any state thereof or the District of Columbia, and such Person executes and delivers to the Trustee an agreement in form and substance reasonably satisfactory to the Trustee containing an assumption by such successor or transferee entity of the due and punctual performance and observance of each covenant and condition of the Note Documents, excluding the Parent Guarantee, and of this Agreement.

(b) Upon any such consolidation or merger, or any conveyance, transfer or lease of substantially all of the assets of the Company as an entirety in accordance with this Section 5.02, the successor Person formed by such consolidation or into which the Company is merged or to which such conveyance, transfer or lease is made shall succeed to, and be substituted for, and may exercise every right and power of, the Company under this Agreement and any Note Document, excluding the Parent Guarantee, with the same effect as if such successor or Person had been named as the Company herein.

(c) The Trustee may receive an Officer's Certificate as conclusive evidence that any such consolidation, merger, conveyance, transfer or lease, and any such assumption, complies with the provisions of this Section 5.02.

ARTICLE VI

DEFAULT

Section 6.01. Indenture Events of Default and Triggering Events. (a) If in respect of any Trust, any Indenture Event of Default shall occur and be continuing, then, and in each and every case, so long as such Indenture Event of Default shall be continuing, and subject to the provisions of any Intercreditor Agreement, the Trustee may vote all of the Equipment Notes issued under the related Indenture and held in such Trust, and, upon the direction of the Certificateholders holding Certificates evidencing Fractional Undivided Interests in such Trust aggregating not less than a majority in interest in such Trust, the Trustee shall vote not less than a corresponding majority in principal amount at maturity of such Equipment Notes in favor of directing the Loan Trustee under such Indenture to declare the unpaid principal amount of the Equipment Notes then outstanding to which such Indenture Event of Default relates and accrued interest thereon to be due and payable under, and in accordance with the provisions of, the relevant Indenture. In addition, if an Indenture Event of Default shall have occurred and be continuing under any Indenture, subject to the provisions of any Intercreditor Agreement, the Trustee may in accordance with the relevant Indenture vote the Equipment Notes held in the Trust to which such Indenture Event of Default relates to direct the Loan Trustee regarding the exercise of remedies provided in such Indenture.

(a) In addition, after an Indenture Event of Default shall have occurred and be continuing with respect to any Equipment Note, subject to the provisions of any Intercreditor Agreement and the applicable Trust Supplement, the Trustee may in its discretion, and upon the direction of the Certificateholders holding Certificates evidencing Fractional Undivided Interests aggregating not less than a majority in interest in the related Trust shall, by such officer or agent as it may appoint, sell, convey, transfer and deliver such Equipment Note or Equipment Notes, without recourse to or warranty by the Trustee or any Certificateholder, to any Person. In any such case, the Trustee shall sell, assign, contract to sell or otherwise dispose of and deliver such Equipment Note or Equipment Notes in one or more parcels at public or private sale or sales, at any location or locations at the option of the Trustee, all upon such terms and conditions as it may reasonably deem advisable and at such prices as it may reasonably deem advisable, for cash. If the Trustee so decides or is required to sell or otherwise dispose of any Equipment Note pursuant to this Section, the Trustee shall take such of the actions described above as it may reasonably deem most effectual to complete the sale or other disposition of such Equipment Note, so as to provide for the payment in full of all amounts due on the related series of Certificates. Notwithstanding the foregoing, any action taken by the Trustee under this Section shall not, in the reasonable judgment of the Trustee, be adverse to the best interests of the Certificateholders of such series.

(b) If an Intercreditor Agreement is applicable, upon the occurrence and during the continuation of any Indenture Event of Default under any Indenture, the Trustee may, to the extent it is the Controlling Party at such time (as determined pursuant to the related Intercreditor Agreement), direct the exercise of remedies as provided in such related Intercreditor Agreement.

(c) If an Intercreditor Agreement is applicable, by acceptance of its Certificate, each Certificateholder agrees that at any time after the occurrence and during the continuation of a Triggering Event, each Certificateholder of Certificates of certain series (each, a "Potential Purchaser" and, collectively, the "Potential Purchasers") may have certain rights to purchase the Certificates of one or more other series, all as set forth in the Trust Supplement applicable to the Certificates held by such Potential Purchaser. The purchase price with respect to the Certificates of any series, and the procedure for such purchase, shall be specified in such Trust Supplement or the applicable Intercreditor Agreement. By acceptance of its Certificate, each Certificateholder (each, a "Selling Certificateholder" and, collectively, the "Selling Certificateholders") of a series that is subject to purchase by Potential Purchasers, all as set forth in the Trust Supplement applicable to the Certificates held by the Selling Certificateholders, agrees that, at any time after the occurrence and during the continuance of a Triggering Event, it will, upon payment of the applicable purchase price by one or more Potential Purchasers (upon such purchase, a "Purchasing Certificateholder"), forthwith sell, assign, transfer and convey to such Purchasing Certificateholder (without recourse, representation or warranty of any kind except for its own acts) all of the right, title, interest and obligation of such Selling Certificateholder in this Agreement, any related Intercreditor Agreement, any related Liquidity Facility, the related Note Documents and all Certificates of such series held by such Selling 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 Purchasing Certificateholder shall assume all of such Selling Certificateholder's obligations under this Agreement, any related Intercreditor Agreement, any related Liquidity Facility and the related Note Documents. The Certificates of such series will be deemed to be purchased on the date payment of the purchase price is made notwithstanding the failure of any Selling Certificateholder to deliver any Certificates of such series and, upon such a purchase, (i) the only rights of the Selling Certificateholders will be to deliver the Certificates to the Purchasing Certificateholder and receive the purchase price for such Certificates of such series and (ii) if the Purchasing Certificateholder shall so request, such Selling Certificateholder will comply with all of the provisions of Section 3.04 hereof to enable new Certificates of such series to be issued to the Purchasing Certificateholder in such denominations as it shall request. All charges and expenses in connection with the issuance of any such new Certificates shall be borne by the Purchasing Certificateholder.

Section 6.02. Incidents of Sale of Equipment Notes. Upon any sale of all or any part of the Equipment Notes held in any Trust made either under the power of sale given under this Agreement or otherwise for the enforcement of this Agreement, the following shall be applicable:

(1) Certificateholders and Trustee May Purchase Equipment Notes. Any Certificateholder, the Trustee in its individual or any other capacity or any other Person may bid for and purchase any of the Equipment Notes held in any Trust, and upon compliance with the terms of sale, may hold, retain, possess and dispose of such Equipment Notes in their own absolute right without further accountability.

(2) Receipt of Trustee Shall Discharge Purchaser. The receipt of the Trustee making such sale shall be a sufficient discharge to any purchaser for its purchase money, and, after paying such purchase money and receiving such receipt, such purchaser or its personal representative or assigns shall not be obliged to see to the application of such purchase money, or be in any way answerable for any loss, misapplication or non-application thereof.

(3) Application of Moneys Received Upon Sale. Any moneys collected by the Trustee upon any sale made either under the power of sale given by this Agreement or otherwise for the enforcement of this Agreement shall be applied as provided in Section 4.02. In the event that the proceeds of such sale of Equipment Notes are less than the principal amount of the Certificates of such series Outstanding, the Certificateholders shall have no claim for such shortfall against the Company, the Trustee or any other Person including the related Owner Trustee or related Owner Participant, if any.

Section 6.03. Judicial Proceedings Instituted by Trustee; Trustee May Bring Suit. If there shall be a failure to make payment of the principal of, premium, if any, or interest on any Equipment Note held in the related Trust, or if there shall be any failure to pay Rent (as defined in the relevant Lease) under any Lease when due and payable, then the Trustee, in its own name and as trustee of an express trust, as holder of such Equipment Notes, to the extent permitted by and in accordance with the terms of any related Intercreditor Agreement and any related Note Documents (subject to rights of the applicable Owner Trustee or Owner Participant, if any, to cure any such failure to pay principal of, premium, if any, or interest on any Equipment Note or to pay Rent under any Lease in accordance with the applicable Indenture and to the rights of the Lessee under any applicable Lease), shall be entitled and empowered to institute any suits, actions or proceedings at law, in equity or otherwise, for the collection of the sums so due and unpaid on such Equipment Notes or under such Lease and may prosecute any such claim or proceeding to judgment or final decree with respect to the whole amount of any such sums so due and unpaid.

All rights of action and of asserting claims under this Agreement, or under any of the Certificates, may be prosecuted and enforced by the Trustee without the possession of any of such Certificates or the production thereof in any trial or other proceedings relative thereto, and any such action or proceedings instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment, subject to the payment of the expenses, disbursements and compensation of the Trustee, each predecessor Trustee and their respective agents and attorneys, shall be for the ratable benefit of the Certificateholders of the related series.

In any proceedings brought by the Trustee (and also any proceedings involving the interpretation of any provision of this Agreement, any Trust Supplement, any Intercreditor Agreement or any Liquidity Facility to which the Trustee shall be a party) the Trustee shall be held to represent all the Certificateholders of the related series, and it shall not be necessary to make any such Certificateholders parties to any such proceedings.

Section 6.04. Control by Certificateholders. Subject to Section 6.03 and any related Intercreditor Agreement, the Certificateholders holding Certificates of a series evidencing Fractional Undivided Interests aggregating not less than a majority in interest in the related Trust shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee with respect to such Trust or pursuant to the terms of such Intercreditor Agreement or any Liquidity Facility to which such Trustee is a party, or exercising any trust or power conferred on the Trustee under this Agreement or such Intercreditor Agreement or Liquidity Facility, including any right of the Trustee as Controlling Party under such Intercreditor Agreement or as holder of the Equipment Notes held in the related Trust; provided that:

(1) such Direction shall not in the opinion of the Trustee be in conflict with any rule of law or with this Agreement and would not involve the Trustee in personal liability or expense unless such Certificateholders shall have offered to the Trustee reasonable security or indemnity against the cost, expenses and liabilities which might be incurred by it in compliance with such Direction;

(2) the Trustee shall not determine that the action so directed would be unjustly prejudicial to the Certificateholders of such series not taking part in such Direction;

(3) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such Direction; and

(4) if an Indenture Event of Default under a related Indenture shall have occurred and be continuing, such Direction shall not obligate the Trustee to vote more than a corresponding majority of the related Equipment Notes held by the Trustee in favor of directing any action by the related Loan Trustee with respect to such Indenture Event of Default.

Section 6.05. Waiver of Past Defaults. Subject to any related Intercreditor Agreement, the Certificateholders holding Certificates of a series evidencing Fractional Undivided Interests aggregating not less than a majority in interest in the related Trust (i) may on behalf of all of the Certificateholders of such series waive any past default or Event of Default hereunder and its consequences or (ii) if the Trustee is the Controlling Party, may direct the Trustee to instruct the applicable Loan Trustee to waive any past Indenture default, Indenture Event of Default or, if applicable, the corresponding Lease default, under any related Indenture and its consequences, and thereby annul any Direction given by such Certificateholders or the Trustee to such Loan Trustee with respect thereto, except a default:

(1) in the deposit of any Scheduled Payment or Special Payment under Section 4.01 or in the distribution of any payment under Section 4.02 on the Certificates of a series; or

(2) in the payment of the principal of, premium, if any, or interest, if any, on the Equipment Notes held in the related Trust; or

(3) in respect of a covenant or provision hereof which under Article IX hereof cannot be modified or amended without the consent of each Certificateholder holding an Outstanding Certificate of the series affected thereby.

Upon any such waiver, such default shall cease to exist with respect to the Certificates of such series and any Event of Default arising therefrom shall be deemed to have been cured for every purpose in respect of such series and any direction given by the Trustee on behalf of the Certificateholders of such series to the relevant Loan Trustee shall be annulled with respect thereto; but no such waiver shall extend to any subsequent or other default or Event of Default or impair any right consequent thereon. Upon any such waiver, the Trustee shall vote the Equipment Notes issued under the relevant Indenture to waive the corresponding Indenture Event of Default (and, if applicable, the corresponding Lease default).

Section 6.06. Right of Certificateholders to Receive Payments Not to Be Impaired. Anything in this Agreement (including Section 6.07) to the contrary notwithstanding, but subject to any related Intercreditor Agreement, the right of any Certificateholder to receive distributions of payments required pursuant to Section 4.02 hereof on the applicable Certificates when due, or to institute suit for the enforcement of any such payment on or after the applicable Regular Distribution Date or Special Distribution Date, shall not be impaired or affected without the consent of such Certificateholder.

Section 6.07. Certificateholders May Not Bring Suit Except Under Certain Conditions. A Certificateholder of any series shall not have the right to institute any suit, action or proceeding at law or in equity or otherwise with respect to this Agreement, the related Trust Supplement or the Certificates or otherwise, or for the appointment of a receiver or for the enforcement of any other remedy under this Agreement, the related Trust Supplement or the Certificates or otherwise, unless:

(i) such Certificateholder previously shall have given written notice to the Trustee of a continuing Event of Default;

(ii) Certificateholders holding Certificates of such series evidencing Fractional Undivided Interests aggregating not less than 25% of the related Trust shall have requested the Trustee in writing to institute such action, suit or proceeding and shall have offered to the Trustee indemnity as provided in Section 7.03(e);

(iii) the Trustee shall have refused or neglected to institute any such action, suit or proceeding for 60 days after receipt of such notice, request and offer of indemnity; and

(iv) no Direction inconsistent with such written request shall have been given to the Trustee during such 60-day period by either Certificateholders holding Certificates of such series evidencing Fractional Undivided Interests aggregating not less than a majority in interest in the related Trust or the Controlling Party under the related Intercreditor Agreement.

Except to the extent provided in any applicable Intercreditor Agreement or in any applicable Trust Supplement, it is understood and intended that no one or more of the Certificateholders of any series shall have any right in any manner whatsoever hereunder or under the related Trust Supplement or under the Certificates of such series to (i) surrender, impair, waive, affect, disturb or prejudice any property in the Trust Property of the related Trust, or the lien of any related Indenture on any property subject thereto, or the rights of the Certificateholders of such series or the holders of the related Equipment Notes, (ii) obtain or seek to obtain priority over or preference with respect to any other such Certificateholder of such series or (iii) enforce any right under this Agreement, the related Trust Supplement or under the Certificates of such series, except in the manner provided in this Agreement and for the equal, ratable and common benefit of all the Certificateholders of such series.

Section 6.08. Remedies Cumulative. Every right or remedy given hereunder to the Trustee or to any of the Certificateholders of any series shall not be exclusive of any other right or remedy or remedies, and every such right or remedy shall be cumulative and in addition to every other right or remedy given hereunder or now or hereafter given by statute, law, equity or otherwise. No delay or omission by the Trustee or of any such Certificateholder 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 applicable Owner Trustee, if any, or the Company, as the case may be, or to be an acquiescence therein.

Section 6.09. Discontinuance of Proceedings. If the Trustee or any Certificateholder of any series institutes any proceeding to enforce any right, power or remedy under the related Trust, and such proceeding is discontinued or abandoned for any reason or is determined adversely to the Trustee or such Certificateholder, then and in every such case the applicable Owner Trustee, if any, and the applicable Indenture Trustee, the Trustee, the Certificateholders of such series and the Company shall, subject to any determination in such proceeding, be restored to their former positions and rights under such Trust with respect to the Trust Property and all rights, remedies and powers of the Trustee and such Certificateholders shall continue as if no such proceeding had been instituted.

Section 6.10. Undertaking for Costs. All parties to this Agreement, and each Certificateholder by acceptance of a Certificate, shall be deemed to have agreed that, in any suit for the enforcement of any right or remedy under this Agreement, or in any suit against the Trustee for any action taken, suffered or omitted by it as Trustee, a court may require any party litigant in such suit to file an undertaking to pay the costs of such suit, and may assess costs against any such party litigant, in the manner and to the extent provided in the Trust Indenture Act or by any other applicable law; provided, however, that neither this Section 6.10 nor the Trust Indenture Act shall be deemed to authorize any court to require such an undertaking or to make such an assessment in any suit instituted by the Company.

ARTICLE VII

THE TRUSTEE

Section 7.01. Certain Duties and Responsibilities. (a) Except during the continuance of an Event of Default in respect of a Trust, (1) the Trustee undertakes to perform such duties in respect of such Trust as are specifically set forth in this Agreement, the Intercreditor Agreement and the Note Documents, and no implied covenants or obligations shall be read into such agreements against the Trustee; and (2) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Agreement; but in the case of any such certificates or opinions that by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Agreement.

(a) In case an Event of Default in respect of a Trust has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Agreement in respect of such Trust, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

(b) No provision of this Agreement shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(1) this Subsection (c) shall not be construed to limit the effect of Subsection (a) of this Section 7.01; and

(2) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer of the Trustee, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

(3) Whether or not herein expressly so provided, every provision of this Agreement relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section 7.01.

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 notify the Company, any related Owner Trustees, any related Owner Participants, the related Loan Trustees and the Certificateholders holding Certificates of the related series, in the manner and to the extent provided in Section 313(c) of the Trust Indenture Act unless such default shall have been cured or waived; provided that, in the case of defaults not relating to the payment of money, the Trustee shall not give such notice until the earlier of the time at which such default becomes an Event of Default and the expiration of 60 days from the occurrence of such default; and provided, however, that, except in the case of a default in the payment of the principal, premium, if any, or interest on any 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 Certificateholders of the related series. For the purpose of this Section 7.02 in respect of any 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 that Trust or a Triggering Event under any Intercreditor Agreement.

Section 7.03. Certain Rights of Trustee. Subject to the provisions of Section 315 of the Trust Indenture Act:

(a) the Trustee may rely and shall be protected in acting or refraining from acting in reliance upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture or other paper or document reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) any request or direction of the Company mentioned herein shall be sufficiently evidenced by a Request;

(c) whenever in the administration of this Agreement or any Intercreditor Agreement the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officer's Certificate of the Company, any related Owner Trustee or any related Loan Trustee;

(d) the Trustee may consult with counsel and the advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon;

(e) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Agreement or any Intercreditor Agreement at the Direction of any of the Certificateholders pursuant to this Agreement or any Intercreditor Agreement, unless such Certificateholders shall have offered to the Trustee reasonable security or indemnity against the cost, expenses and liabilities which might be incurred by it in compliance with such Direction;

(f) the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture or other paper or document;

(g) the Trustee may execute any of the trusts or powers under this Agreement or any Intercreditor Agreement or perform any duties under this Agreement or any Intercreditor Agreement either directly or by or through agents or attorneys, and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it under this Agreement or any Intercreditor Agreement;

(h) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the Direction of the Certificateholders holding Certificates of any series evidencing Fractional Undivided Interests aggregating not less than a majority in interest in the related Trust relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Agreement or any Intercreditor Agreement; and

(i) the Trustee shall not be required to expend or risk its own funds in the performance of any of its duties under this Agreement, 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 is not reasonably assured to it.

Section 7.04. Not Responsible for Recitals or Issuance of Certificates. The recitals contained herein and in the Certificates of each series, except the certificates of authentication, shall not be taken as the statements of the Trustee, and the Trustee assumes no responsibility for their correctness. Subject to Section 7.15, the Trustee makes no representations as to the validity or sufficiency of this Basic Agreement, any Equipment Notes, any Intercreditor Agreement, any Liquidity Facility to which the Trustee may be a party, the Certificates of any series, any Trust Supplement or any Note Documents, except that the Trustee hereby represents and warrants that this Basic Agreement has been, and each Trust Supplement, each Certificate, each Participation Agreement, each Intercreditor Agreement, and any such Liquidity Facility of, or relating to, each series will be, executed and delivered by one of its officers who is duly authorized to execute and deliver such document on its behalf.

Section 7.05. May Hold Certificates. The Trustee, any Paying Agent, Registrar or any of their Affiliates or any other agent, in their respective individual or any other capacity, may become the owner or pledgee of Certificates and, subject to Sections 310(b) and 311 of the Trust Indenture Act, if applicable, may otherwise deal with the Company, the Parent, any Owner Trustees, any Owner Participants or the Loan Trustees with the same rights it would have if it were not Trustee, Paying Agent, Registrar or such other agent.

Section 7.06. Money Held in Trust. Money held by the Trustee or the Paying Agent in trust under this Agreement need not be segregated from other funds except to the extent required herein or by law and neither the Trustee nor the Paying Agent shall have any liability for interest upon any such moneys except as provided for herein or in the applicable Trust Supplement.

Section 7.07. Compensation and Reimbursement. The Company agrees:

(1) to pay, or cause to be paid, to the Trustee from time to time such compensation for all services rendered by it hereunder as the Company and the Trustee may agree in writing from time to time (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust);

(2) except as otherwise expressly provided herein or in any Trust Supplement, to reimburse, or cause to be reimbursed, the Trustee upon its request for all reasonable out-of-pocket expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of this Basic Agreement, any Trust Supplement, any Intercreditor Agreement or any Liquidity Facility to which the Trustee may be a party (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to the Trustee's negligence, willful misconduct or bad faith or as may be incurred due to the Trustee's breach of its representations and warranties set forth in Section 7.15; and

(3) to indemnify, or cause to be indemnified, the Trustee, solely in its individual capacity, for, and to hold it harmless against, any loss, liability, tax (other than any tax referred to in the next paragraph or any tax attributable to the Trustee's compensation for serving as such), cost or expense incurred without negligence, willful misconduct or bad faith on its part, arising out of or in connection with the acceptance or administration of any Trust, including the costs and expenses of (a) defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder or under any Trust Supplement or (b) contesting the imposition of any such tax, except in each case for any such loss, liability, tax, cost or expense incurred by reason of the Trustee's breach of its representations and warranties set forth in Section 7.15 or in any Trust Supplement or the Trustee's failure to perform any of its obligations hereunder or under any Trust Supplement. The Trustee shall notify the Company promptly of any claim or tax for which it may seek indemnity. The Company shall defend the claim and the Trustee shall cooperate in the defense. The Trustee may have separate counsel with the consent of the Company and the Company will pay the reasonable fees and expenses of such counsel. The Company need not pay for any settlement made or any taxes paid, in settlement or otherwise, without its consent.

The Trustee shall be entitled to reimbursement from, and shall have a lien prior to the Certificates of each series upon, all property and funds held or collected by the Trustee in its capacity as Trustee with respect to such series or the related Trust for any tax incurred without negligence, bad faith or willful misconduct, on its part, arising out of or in connection with the acceptance or administration of such Trust (other than any tax attributable to the Trustee's compensation for serving as such), including any costs and expenses incurred in contesting the imposition of any such tax. The Trustee shall notify the Company of any claim for any tax for which it may seek reimbursement. If the Trustee reimburses itself from the Trust Property of such Trust for any such tax, it will mail a brief report within 30 days setting forth the amount of such tax and the circumstances thereof to the Company and all Certificateholders of such series as their names and addresses appear in the Register.

Section 7.08. Corporate Trustee Required; Eligibility. Each Trust shall at all times have a Trustee which is a bank, trust company or other financial institution organized and doing business under the laws of the United States or any state thereof, shall be eligible to act as a trustee under Section 310(a) of the Trust Indenture Act and shall have a combined capital and surplus of at least $100,000,000 (or a combined capital and surplus in excess of $5,000,000 and 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 or any state or territory thereof or the District of Columbia and having a combined capital and surplus of at least $100,000,000). If such bank, trust company or other financial institution or such corporation publishes reports of conditions at least annually, pursuant to law or to the requirements of federal, state, territorial or District of Columbia supervising or examining authority, then for the purposes of this Section 7.08 the combined capital and surplus of such bank, trust company or other financial institution or such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of conditions so published.

In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section 7.08 to act as Trustee of any Trust, the Trustee shall resign immediately as Trustee of such Trust in the manner and with the effect specified in Section 7.09. If the Trustee has or acquires a conflicting interest within the meaning of the Trust Indenture Act, the Trustee shall either eliminate such interest or resign, to the extent and in the manner provided by, and subject to the provisions of, the Trust Indenture Act and this Agreement.

Section 7.09. Resignation and Removal; Appointment of Successor. (a) No resignation or removal of the Trustee and no appointment of a successor Trustee of any Trust pursuant to this Article VII shall become effective until the acceptance of appointment by the successor Trustee under Section 7.10.

(a) The Trustee may resign at any time as Trustee of any or all Trusts by giving prior written notice thereof to the Company, the Authorized Agents, any related Owner Trustees and the related Loan Trustees. If an instrument of acceptance by a successor Trustee shall not have been delivered to the Company, any related Owner Trustees and the Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

(b) The Trustee may be removed at any time as Trustee of any Trust by Direction of the Certificateholders of the related series holding Certificates of such series evidencing Fractional Undivided Interests aggregating not less than a majority in interest in such Trust delivered to the Trustee and to the Company, any related Owner Trustees and the related Loan Trustees.

(c) If at any time in respect of any Trust:

(1) the Trustee shall fail to comply with Section 310(b) of the Trust Indenture Act, if applicable, after written request therefor by the Company or by any Certificateholder who has been a bona fide Certificateholder for at least six months; or

(2) the Trustee shall cease to be eligible under Section 7.08 and shall fail to resign after written request therefor by the Company or by any such Certificateholder; or

(3) the Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or files a bankruptcy petition, or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation;

then, in any such case, (i) the Company may remove the Trustee or (ii) any Certificateholder of the related series who has been a bona fide Certificateholder for at least six months may, on behalf of itself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee of such Trust.

(d) If a Responsible Officer of the Trustee shall obtain actual knowledge of an Avoidable Tax (as defined below) in respect of any Trust which has been or is likely to be asserted, the Trustee shall promptly notify the Company and shall, within 30 days of such notification, either relocate the administration of the Trust to another jurisdiction as described in the definition of "Avoidable Tax" or resign as Trustee of such Trust hereunder unless within such 30-day period the Trustee shall have received notice that the Company has agreed to pay such tax. Provided that there is a corporation in a jurisdiction where there are no Avoidable Taxes that is willing to act as Trustee and is eligible under Section 7.08, the Company shall promptly after any such resignation by such Trustee appoint a successor Trustee of such Trust in a jurisdiction where there are no Avoidable Taxes. As used herein, an "Avoidable Tax" in respect of such Trust means a state or local tax: (i) upon (w) such Trust, (x) the Trust Property of such Trust, (y) Certificateholders of such Trust or (z) the Trustee for which the Trustee is entitled to seek reimbursement from the Trust Property of such Trust, and (ii) which would be avoided if the Trust were administered in a different jurisdiction in the United States or if the Trustee were located in another state, or jurisdiction within a state, within the United States. A tax shall not be an Avoidable Tax in respect of any Trust if the Company or any Owner Trustee shall agree to pay, and shall pay, such tax.

(e) If the Trustee shall resign, be removed or become incapable of acting as Trustee of any Trust or if a vacancy shall occur in the office of the Trustee of any Trust for any cause, the Company shall promptly appoint a successor Trustee of such Trust. If, within one year after such resignation, removal or incapability, or other occurrence of such vacancy, a successor Trustee of such Trust shall be appointed by Direction of the Certificateholders of the related series holding Certificates of such series evidencing Fractional Undivided Interests aggregating not less than a majority in interest in such Trust delivered to the Company, any related Owner Trustees, the related Loan Trustee and the retiring Trustee, then the successor Trustee of such Trust so appointed shall, with the approval of the Company of such appointment, which approval shall not be unreasonably withheld, forthwith upon its acceptance of such appointment, become the successor Trustee of such Trust and supersede the successor Trustee of such Trust appointed by the Company as provided above. If no successor Trustee shall have been so appointed by the Company as provided above and accepted appointment in the manner hereinafter provided, the resigning Trustee or any Certificateholder who has been a bona fide Certificateholder of the related series for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee of such Trust.

(f) The successor Trustee of a Trust shall give notice of the resignation and removal of the Trustee and appointment of the successor Trustee by notifying the Company and the Certificateholders of the related series as their names and addresses appear in the Register. Each notice shall include the name of such successor Trustee and the address of its Corporate Trust Office.

Section 7.10. Acceptance of Appointment by Successor. Every successor Trustee appointed hereunder shall execute and deliver to the Company and to the retiring Trustee with respect to any or all Trusts an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee with respect to such Trust or Trusts shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee with respect to such Trust or Trusts; but, on, request of the Company or the successor Trustee, such retiring Trustee shall execute and deliver an instrument transferring to such successor Trustee all such rights, powers and trusts of the retiring Trustee and shall duly assign, transfer and deliver to such successor Trustee all Trust Property held by such retiring Trustee in respect of such Trusts hereunder (subject nevertheless to its lien, if any, provided for in Section 7.07) and all books and records, or true, correct and complete copies thereof, held by such retiring Trustee in respect of such Trusts hereunder. Upon request of any such successor Trustee, the Company, the retiring Trustee and such successor Trustee shall execute and deliver any and all instruments containing such provisions as shall be necessary or desirable to transfer and confirm to, and for more fully and certainly vesting in, such successor Trustee all such rights, powers and trusts.

If a successor Trustee is appointed with respect to one or more (but not all) Trusts, the Company, the predecessor Trustee and each successor Trustee with respect to any Trust shall execute and deliver a supplemental agreement hereto which shall contain such provisions as shall be deemed necessary or desirable to confirm that all of the rights, powers, trusts and duties of the predecessor Trustee with respect to the Trusts as to which the predecessor Trustee is not retiring shall continue to be vested in the predecessor Trustee, and shall add to or change any of the provisions of this Basic Agreement and the applicable Trust Supplements as shall be necessary to provide for or facilitate the administration of the Trusts hereunder by more than one Trustee, it being understood that nothing herein or in such supplemental agreement shall constitute such Trustees as co-Trustees of the same Trust and that each such Trustee shall be Trustee of separate Trusts.

No institution shall accept its appointment as a successor Trustee hereunder unless at the time of such acceptance such institution shall be qualified and eligible under this Article VII.

Section 7.11. Merger, Conversion, Consolidation or Succession to Business. Any corporation into which the Trustee 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 Trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided that such corporation shall be otherwise qualified and eligible under this Article VII, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Certificates shall have been executed or authenticated, but not delivered, by the Trustee then in office, any successor by merger, conversion or consolidation to such authenticating Trustee may adopt such execution or authentication and deliver the Certificates so executed or authenticated with the same effect as if such successor Trustee had itself executed or authenticated such Certificates.

Section 7.12. Maintenance of Agencies. (a) With respect to each series of Certificates, there shall at all times be maintained an office or agency in the location set forth in Section 12.04 or at such other location as may be specified in the applicable Trust Supplement where Certificates of such series may be presented or surrendered for registration of transfer or for exchange, and for payment thereof, and where notices and demands to or upon the Trustee in respect of such Certificates or this Agreement may be served; provided that, if it shall be necessary that the Trustee maintain an office or agency in another location with respect to the Certificates of any series (e.g., the Certificates of such series shall be represented by Definitive Certificates and shall be listed on a national securities exchange), the Trustee will make all reasonable efforts to establish such an office or agency. Written notice of the location of each such other office or agency and of any change of location thereof shall be given by the Trustee to the Company, any Owner Trustees, the Loan Trustees (in the case of any Owner Trustee or Loan Trustee, at its address specified in the Note Documents or such other address as may be notified to the Trustee) and the Certificateholders of such series. In the event that no such office or agency shall be maintained or no such notice of location or of change of location shall be given, presentations and demands may be made and notices may be served at the Corporate Trust Office of the Trustee.

(a) There shall at all times be a Registrar and a Paying Agent hereunder with respect to the Certificates of each series. Each such Authorized Agent shall be a bank, trust company or other financial institution organized and doing business under the laws of the United States or any state thereof, with a combined capital and surplus of at least $100,000,000 (or combined capital and surplus in excess of $5,000,000, the obligations of which are fully and unconditionally guaranteed by a corporation organized and doing business under the laws of the United States or any state or territory thereof or the District of Columbia, with a combined capital and surplus of at least $100,000,000), and shall be authorized under such laws to exercise corporate trust powers, subject to supervision by federal or state authorities. The Trustee shall initially be the Paying Agent and, as provided in Section 3.04, Registrar hereunder with respect to the Certificates of each series. Each Registrar other than the Trustee shall furnish to the Trustee, at stated intervals of not more than six months, and at such other times as the Trustee may request in writing, a copy of the Register maintained by such Registrar.

(b) Any corporation, bank or trust company into which any Authorized Agent may be merged or converted or with which it may be consolidated, or any corporation, bank or trust company resulting from any merger, consolidation or conversion to which any Authorized Agent shall be a party, or any corporation, bank or trust company succeeding to the corporate trust business of any Authorized Agent, shall be the successor of such Authorized Agent, if such successor is otherwise eligible under this Section 7.12, without the execution or filing of any paper or any further act on the part of the parties hereto or such Authorized Agent or such successor.

(c) Any Authorized Agent may at any time resign by giving written notice of resignation to the Trustee, the Company, any related Owner Trustees and the related Loan Trustees. The Company may, and at the request of the Trustee shall, at any time terminate the agency of any Authorized Agent by giving written notice of termination to such Authorized Agent and to the Trustee. Upon the resignation or termination of an Authorized Agent or in case at any time any such Authorized Agent shall cease to be eligible under this Section 7.12 (when, in either case, no other Authorized Agent performing the functions of such Authorized Agent shall have been appointed), the Company shall promptly appoint one or more qualified successor Authorized Agents, reasonably satisfactory to the Trustee, to perform the functions of the Authorized Agent which has resigned or whose agency has been terminated or who shall have ceased to be eligible under this Section 7.12. The Company shall give written notice of any such appointment made by it to the Trustee, any related Owner Trustees and the related Loan Trustees; and in each case the Trustee shall mail notice of such appointment to all Certificateholders of the related series as their names and addresses appear on the Register for such series.

(d) The Company agrees to pay, or cause to be paid, from time to time to each Authorized Agent such compensation for its services as the Company and the Trustee may agree in writing from time to time and to reimburse it for its reasonable expenses to the extent set forth in Section 7.07(2).

Section 7.13. Money for Certificate Payments to Be Held in Trust. All moneys deposited with any Paying Agent for the purpose of any payment on Certificates shall be deposited and held in trust for the benefit of the Certificateholders entitled to such payment, subject to the provisions of this Section 7.13. Moneys so deposited and held in trust shall constitute a separate trust fund for the benefit of the Certificateholders with respect to which such money was deposited.

The Trustee may at any time, for the purpose of obtaining the satisfaction and discharge of this Agreement or for any other purpose, direct any Paying Agent to pay to the Trustee all sums held in trust by such Paying Agent, such sums to be held by the Trustee upon the same trusts as those upon which such sums were held by such Paying Agent; and, upon such payment by any Paying Agent to the Trustee, such Paying Agent shall be released from all further liability with respect to such money.

Section 7.14. Registration of Equipment Notes in Trustee's Name. Subject to the provisions of any Intercreditor Agreement and Section 12.03 hereof, the Trustee agrees that all Equipment Notes to be purchased by any Trust, Specified Investments, if any, to be held by the Trustee on behalf of a Trust and Permitted Investments, if any, to be held by the Trustee on behalf of a Trust shall be issued in the name of the Trustee as trustee for the applicable Trust or its nominee and held by the Trustee in trust for the benefit of the Certificateholders of such series, or, if not so held, the Trustee or its nominee shall be reflected as the owner of such Equipment Notes, Specified Investments or Permitted Investments, as the case may be, in the register of the issuer of such Equipment Notes, Specified Investments or Permitted Investments, as the case may be. In no event shall the Trustee invest in, or hold, Equipment Notes, Specified Investments or Permitted Investments in a manner that would cause the Trustee not to have the ownership interest in (or a securities entitlement with respect to) such Equipment Notes, Specified Investments or Permitted Investments under the applicable provisions of the Uniform Commercial Code in effect where the Trustee holds such Equipment Notes, Specified Investments or Permitted Investments or other applicable law then in effect.

Section 7.15. Representations and Warranties of Trustee. The Trustee hereby represents and warrants that:

(a) the Trustee is a national banking association duly organized and validly existing in good standing under the laws of the United States;

(b) the Trustee has full power, authority and legal right to execute, deliver and perform this Agreement, any Intercreditor Agreement, any Liquidity Facility, the Certificates and the Participation Agreements and has taken all necessary action to authorize the execution, delivery and performance by it of this Agreement, any Intercreditor Agreement, any Liquidity Facility, the Certificates and the Participation Agreements;

(c) the execution, delivery and performance by the Trustee of this Agreement, any Intercreditor Agreement, any Liquidity Facility, the Certificates and the Participation Agreements (i) will not violate any provision of any United States federal law or the law of the state of the United States where such Trustee is located and which governs 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 or both, 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;

(d) the execution, delivery and performance by the Trustee of this Agreement, any Intercreditor Agreement, any Liquidity Facility, the Certificates and the Participation Agreements 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 such Trustee is located and regulating the banking and corporate trust activities of the Trustee, other than the filing of a Statement of Eligibility on Form T-1 in connection with the registration of any Certificates;

(e) this Agreement, any Intercreditor Agreement, any Liquidity Facility, the Certificates and the Participation Agreements have been or will be duly executed and delivered by the Trustee and constitute or upon such execution and delivery will constitute 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; and

(f) the statements made by it in a Statement of Eligibility on Form T-1 supplied or to be supplied to the Company in connection with the registration of any Certificates are and will be true and accurate subject to the qualifications set forth therein; and that such statement complies and will comply in all material respects with the requirements of the Trust Indenture Act and the Securities Act.

The representation and warranties set forth above shall be deemed to be made by the Trustee on each Issuance Date, except as otherwise provided in the applicable Trust Supplement.

Section 7.16. Withholding Taxes; Information Reporting. As to the Certificates of any series, the Trustee, as trustee of the related grantor trust created by this Agreement, shall exclude and withhold from each distribution of principal, premium, if any, and interest and other amounts due or otherwise payable under this Agreement or under the Certificates of such series any and all withholding taxes applicable thereto as required by law. The parties agree to treat any distribution of proceeds from a Liquidity Facility for all U.S. federal income tax purposes as principal, premium, interest or other amount on an Equipment Note to the same extent as the relevant payment under an Equipment Note in respect of which such proceeds are distributed is treated. The Trustee agrees to act as such withholding agent and, in connection therewith, whenever any present or future taxes or similar charges are required to be withheld with respect to any amounts payable in respect of the Certificates of such series, to withhold such amounts and timely pay the same to the appropriate authority in the name of and on behalf of the Certificateholders of such series, that it will file any necessary withholding tax returns or statements when due, and that, as promptly as possible after the payment thereof, it will deliver to each such Certificateholder of such series appropriate documentation showing the payment thereof, together with such additional documentary evidence as such Certificateholders may reasonably request from time to time. The Trustee agrees to file any other information reports as it may be required to file under United States law.

Section 7.17. Trustee's Liens. The Trustee in its individual capacity agrees that it will, in respect of each Trust created by this Agreement, at its own cost and expense (and without right of indemnity hereunder, including Section 7.07), promptly take any action as may be necessary to duly discharge and satisfy in full any mortgage, pledge, lien, charge, encumbrance, security interest or claim ("Trustee's Liens") on or with respect to the Trust Property of such Trust which is attributable to the Trustee either (i) in its individual capacity and which is unrelated to the transactions contemplated by this Agreement or the related Note Documents or (ii) as Trustee hereunder or in its individual capacity and which arises out of acts or omissions which are not contemplated by this Agreement.

Section 7.18. Preferential Collection of Claims. The Trustee shall comply with Section 311(a) of the Trust Indenture Act, excluding any creditor relationship listed in Section 311(b) of the Trust Indenture Act. If the Trustee shall resign or be removed as Trustee, it shall be subject to Section 311(a) of the Trust Indenture Act to the extent provided therein.

Section 7.19. Capacity in Which Acting. The Trustee acts hereunder and under any Trust not in its individual capacity but solely as trustee except as expressly provided herein or in the related Trust Supplement.

ARTICLE VIII

CERTIFICATEHOLDERS' LISTS AND REPORTS BY TRUSTEE

Section 8.01. The Company to Furnish Trustee with Names and Addresses of Certificateholders. With respect to the Certificates of each series, the Company will furnish (or cause to be furnished) to the Trustee within 15 days after each Record Date with respect to a Scheduled Payment (and, in any case, at intervals of not more than six months), and at such other times as the Trustee may request in writing within 30 days after receipt by the Company of any such request, a list, in such form as the Trustee may reasonably require, of all information in the possession or control of the Company as to the names and addresses of the Certificateholders of such series, in each case as of a date not more than 15 days prior to the time such list is furnished; provided, however, that so long as the Trustee is the sole Registrar for such series, no such list need be furnished; and provided further, that no such list need be furnished for so long as a copy of the Register is being furnished to the Trustee pursuant to Section 7.12.

Section 8.02. Preservation of Information; Communications to Certificateholders. The Trustee shall preserve, in as current a form as is reasonably practicable, the names and addresses of Certificateholders of each series contained in the most recent list furnished to the Trustee as provided in Section 7.12 or Section 8.01, as the case may be, and the names and addresses of Certificateholders of each series received by the Trustee in its capacity as Registrar, if so acting. The Trustee may destroy any list furnished to it as provided in Section 7.12 or Section 8.01, as the case may be, upon receipt of a new list so furnished.

Section 8.03. Reports by Trustee. Within 60 days after May 15 of each year commencing with the first full year following the issuance of any series of Certificates, the Trustee shall transmit to the Certificateholders of such series, as provided in Section 313(c) of the Trust Indenture Act, a brief report dated as of such May 15, if required by and in compliance with Section 313(a) of the Trust Indenture Act. The Trustee shall also transmit to Certificateholders such reports, if any, as may be required pursuant to Section 313(b) of the Trust Indenture Act at the times and in the manner provided pursuant thereto and to Section 313(c) thereof.

Section 8.04. Reports by the Company. The Company shall file with the Trustee, within 30 days after the Parent of the Company files such information, documents or reports with the SEC pursuant to Section 13 or 15(d) of the Exchange Act (each, a "Required SEC Filing" and collectively, the "Required SEC Filings"), copies of such information, documents and other reports, and such summaries thereof, as may be required pursuant to the Trust Indenture Act at the times and in the manner provided pursuant to the Trust Indenture Act; *provided*, *however*, that the Company's obligation to so file each such Required SEC Filing with the Trustee shall not arise unless and until such Required SEC Filing has been filed with the SEC. Delivery of any such reports, information and documents by the Company (or any Guarantor) to the Trustee is for informational purposes only and the Trustee's receipt of such shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Company's compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officers' Certificates). The Trustee acknowledges and agrees that materials transmitted electronically by the Company (or any Guarantor) to the Trustee shall be deemed filed with the Trustee for purposes of this Section 8.04. The Company shall have satisfied its obligations in this Section 8.04 so long as the Parent files with the SEC any information, documents or other reports that contain financial information relating to the Company that satisfies the applicable requirements of the SEC with respect thereto (giving effect to any rules or amendments thereto that the SEC has adopted that are not yet effective, to the extent such rules provide for the voluntary early adoption thereof).

ARTICLE IX

SUPPLEMENTAL AGREEMENTS

Section 9.01. Supplemental Agreements Without Consent of Certificateholders. Without the consent of any Certificateholders, the Company may (but will not be required to), and the Trustee (subject to Section 9.03) shall, at the Company's request, at any time and from time to time, enter into one or more agreements supplemental hereto or, if applicable, to an Intercreditor Agreement, a Participation Agreement, a Liquidity Facility or a Parent Guarantee, for any of the following purposes:

(1) to provide for the formation of a Trust, the issuance of a series of Certificates and other matters contemplated by Section 2.01(b) or to add, or to change or eliminate, any provision affecting a series of Certificates not yet issued, including to make appropriate provisions for a Parent Guarantee; or

(2) to evidence the succession of another Person to the Company and the assumption by any such successor of the covenants of the Company contained in this Agreement or of the Company's obligations under any Intercreditor Agreement, any Participation Agreement, any Liquidity Facility or, if applicable, to evidence the succession of another Person to the Parent and the assumption by any such successor of the covenants of the Parent contained in this Agreement or of the Parent's obligations under any Parent Guarantee; or

(3) to add to the covenants of the Company or the Parent for the benefit of the Certificateholders of any series, or to surrender any right or power conferred upon the Company or the Parent in this Agreement, any Participation Agreement, any Intercreditor Agreement, any Liquidity Facility or any Parent Guarantee; or

(4) to cure any ambiguity or to correct any mistake or inconsistency contained in the Certificates of any series, in this Basic Agreement or in any related Trust Supplement, any Intercreditor Agreement, any Liquidity Facility or any Parent Guarantee; or

(5) to make or modify any other provision in regard to matters or questions arising under the Certificates of any series, this Basic Agreement or any related Trust Supplement, any Intercreditor Agreement, any Liquidity Facility or any Parent Guarantee as the Company may deem necessary or desirable and that will not materially adversely affect the interests of the related Certificateholders; or

(6) to comply with any requirement of the SEC, any applicable law, rules or regulations of any exchange or quotation system on which the Certificates of any series are listed or of any regulatory body; or

(7) to modify, eliminate or add to the provisions of this Agreement, any Intercreditor Agreement, any Liquidity Facility or any Parent Guarantee to such extent as shall be necessary to continue or obtain the qualification of this Agreement (including any supplemental agreement), any Intercreditor Agreement, any Liquidity Facility or any Parent Guarantee under the Trust Indenture Act or under any similar Federal statute hereafter enacted, and to add to this Agreement, any Intercreditor Agreement, any Liquidity Facility or any Parent Guarantee such other provisions as may be expressly permitted by the Trust Indenture Act, excluding, however, the provisions referred to in Section 316(a)(2) of the Trust Indenture Act as in effect at the date as of which this Basic Agreement was executed or any corresponding provision in any similar Federal statute hereafter enacted; or

(8) to evidence and provide for the acceptance of appointment by a successor Trustee under this Agreement, any Intercreditor Agreement, any Participation Agreement, any Indenture, any Liquidity Facility or any Parent Guarantee with respect to one or more Trusts and to add to or change any of the provisions of this Agreement, any Intercreditor Agreement, any Liquidity Facility or any Parent Guarantee as shall be necessary to provide for or facilitate the administration of the Trust hereunder and thereunder by more than one Trustee, pursuant to the requirements of Section 7.10 or to provide multiple Liquidity Facilities with respect to one or more Trusts; or

(9) to provide the information required under Section 7.12 and Section 12.04 as to the Trustee; or

(10) to add to or change any of the provisions of the Certificates of any series, this Agreement or any Trust Supplement to such extent as shall be necessary to facilitate the issuance of Certificates of such series in bearer form or to facilitate or provide for the issuance of Certificates of such series in global form in addition to or in place of Certificates of such series in certificated form; or

(11) to provide for the delivery of agreements supplemental hereto or the Certificates of any series in or by any means of any computerized, electronic or other medium, including without limitation by computer diskette; or

(12) to correct or supplement the description of any property constituting property of such Trust; or

(13) to modify, eliminate or add to the provisions of this Basic Agreement or any Trust Supplement in order to reflect the substitution of a Substitute Aircraft for any aircraft; or

(14) to make any other amendments or modifications hereto, provided that such amendments or modifications shall only apply to Certificates of one or more series to be thereafter issued;

provided, however, that, no such supplemental agreement shall cause any Trust to fail to qualify as a "grantor trust" for United States federal income tax purposes.

Section 9.02. Supplemental Agreements with Consent of Certificateholders. With respect to each separate Trust and the series of Certificates relating thereto, with the consent of the Certificateholders holding Certificates of such series (including consents obtained in connection with a consent solicitation, tender offer or exchange offer for the Certificates) evidencing Fractional Undivided Interests aggregating not less than a majority in interest in such Trust, by Direction of said Certificateholders delivered to the Company and the Trustee, the Company and, if applicable, the Parent, may (with the consent of the Owner Trustees, if any, relating to such Certificates, which consent shall not be unreasonably withheld), but shall not be obligated to, and the Trustee (subject to Section 9.03) shall, enter into an agreement or agreements supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Agreement, any Intercreditor Agreement, any Liquidity Facility or any Parent Guarantee to the extent applicable to such Certificateholders or of modifying in any manner the rights and obligations of such Certificateholders under this Agreement, any Intercreditor Agreement, any Liquidity Facility or any Parent Guarantee; provided, however, that no such agreement shall, without the consent of the Certificateholder of each Outstanding Certificate adversely affected thereby:

(1) reduce in any manner the amount of, or delay the timing of, any receipt by the Trustee of payments on the Equipment Notes held in such Trust or distributions that are required to be made herein on any Certificate of such series, or change any date of payment on any Certificate of such series, or change the place of payment where, or the coin or currency in which, any Certificate of such series is payable (other than as provided for in such Certificate), or impair the right to institute suit for the enforcement of any such payment or distribution on or after the Regular Distribution Date or Special Distribution Date applicable thereto; or

(2) except as permitted by this Agreement or the applicable Intercreditor Agreement or Liquidity Facility, permit the disposition of any Equipment Note included in the Trust Property of such Trust or otherwise deprive such Certificateholder of the benefit of the ownership of the Equipment Notes in such Trust; or

(3) alter the priority of distributions specified in the relevant Intercreditor Agreement, if any, in a manner materially adverse to the interests of the Certificateholders of any series; or

(4) modify any of the provisions of this Section 9.02 with respect to such series of Certificates, except to increase the specified percentage of the aggregate Fractional Undivided Interests of such Trust that is required for any supplemental agreement as set forth therein, or to provide that certain other provisions of this Agreement cannot be modified or waived without the consent of the Certificateholder of each Certificate of such series affected thereby; or

(5) cause any Trust be treated as other than a grantor trust for United States federal income tax purposes.

It shall not be necessary for any Direction of such Certificateholders under this Section 9.02 to approve the particular form of any proposed supplemental agreement, but it shall be sufficient if such Direction shall approve the substance thereof.

Section 9.03. Documents Affecting Immunity or Indemnity. If in the opinion of the Trustee any document required to be executed by it pursuant to the terms of Section 9.01 or 9.02 affects any interest, right, duty, immunity or indemnity in favor of the Trustee under this Basic Agreement or any Trust Supplement, the Trustee may in its discretion decline to execute such document.

Section 9.04. Execution of Supplemental Agreements. In executing, or accepting the additional trusts created by, any supplemental agreement permitted by this Article IX or the modifications thereby of the trusts created by this Agreement, the Trustee 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 9.05. Effect of Supplemental Agreements. Upon the execution of any agreement supplemental to this Agreement under this Article IX, this Agreement shall be modified in accordance therewith, and such supplemental agreement shall form a part of this Agreement for all purposes, and every Certificateholder of each series theretofore or thereafter authenticated and delivered hereunder shall be bound thereby to the extent applicable to such series.

Section 9.06. Conformity with Trust Indenture Act. Every supplemental agreement executed pursuant to this Article IX shall conform to the requirements of the Trust Indenture Act as then in effect.

Section 9.07. Reference in Certificates to Supplemental Agreements. Certificates of each series authenticated and delivered after the execution of any supplemental agreement applicable to such series pursuant to this Article IX may bear a notation in form approved by the Trustee as to any matter provided for in such supplemental agreement; and, in such case, suitable notation may be made upon Outstanding Certificates of such series after proper presentation and demand.

ARTICLE X

AMENDMENTS TO INDENTURES AND OTHER NOTE DOCUMENTS

Section 10.01. Amendments and Supplements to Indentures and Other Note Documents. In the event that the Trustee, as holder (or beneficial owner through the Subordination Agent) of any Equipment Notes (or as a prospective purchaser of any Postponed Notes) in trust for the benefit of the Certificateholders of any series or as Controlling Party under an Intercreditor Agreement, receives (directly or indirectly through the Subordination Agent) a request for a consent to any amendment, modification, waiver or supplement under any Indenture or other Note Document, subject to Section 9.01 hereof, the Trustee shall forthwith send a notice of such proposed amendment, modification, waiver or supplement to each Certificateholder of such series registered on the Register as of the date of such notice. The Trustee shall request from the Certificateholders of such series a Direction as to (a) whether or not to take or refrain from taking (or direct the Subordination Agent to take or refrain from taking) any action which a holder of (or, with respect to Postponed Notes, a prospective purchaser of) such Equipment Note has the option to direct, (b) whether or not to give or execute (or direct the Subordination Agent to give or execute) any waivers, consents, amendments, modifications or supplements as a holder of (or, with respect to Postponed Notes, a prospective purchaser of) such Equipment Note or a Controlling Party and (c) how to vote (or direct the Subordination Agent to vote) any Equipment Note (or, with respect to a Postponed Note, its commitment to acquire such Postponed Note) if a vote has been called for with respect thereto. Provided such a request for Certificateholder Direction shall have been made, in directing any action or casting any vote or giving any consent as the holder of any Equipment Note (or in directing the Subordination Agent in any of the foregoing), (i) other than as Controlling Party, the Trustee shall vote for or give consent to any such action with respect to such Equipment Note (or Postponed Note) in the same proportion as that of (A) the aggregate face amount of all Certificates actually voted in favor of or for giving consent to such action by such Direction of Certificateholders to (B) the aggregate face amount of all Outstanding Certificates and (ii) as Controlling Party, the Trustee shall vote as directed in such Certificateholder Direction by the Certificateholders of such series evidencing a Fractional Undivided Interest aggregating not less than a majority in interest in the related Trust. For purposes of the immediately preceding sentence, a Certificate shall have been "actually voted" if the Holder of such Certificate has delivered to the Trustee an instrument evidencing such Holder's consent to such Direction prior to one Business Day before the Trustee directs such action or casts such vote or gives such consent. Notwithstanding the foregoing, but subject to Section 6.04 and any Intercreditor Agreement, the Trustee may, with respect to the Certificates of any series, in its own discretion and at its own direction, consent and notify the relevant Loan Trustee of such consent (or direct the Subordination Agent to consent and notify the Loan Trustee of such consent) to any amendment, modification, waiver or supplement under any related Indenture or any other related Note Document if an Event of Default hereunder shall have occurred and be continuing or if such amendment, modification, waiver or supplement will not materially adversely affect the interests of the Certificateholders of such series.

ARTICLE XI

TERMINATION OF TRUSTS

Section 11.01. Termination of the Trusts. In respect of each Trust created by the Basic Agreement as supplemented by a related Trust Supplement, the respective obligations and responsibilities of the Company and the Trustee and, if applicable, the Parent with respect to such Trust shall terminate upon the distribution to all Holders of Certificates of the series of such Trust and the Trustee of all amounts required to be distributed to them pursuant to this Agreement and the disposition of all property held as part of the Trust Property of such Trust; provided, however, that in no event shall such Trust continue beyond the final expiration date determined as provided in such Trust Supplement.

Notice of any termination of a Trust, specifying the applicable Regular Distribution Date (or applicable Special Distribution Date, as the case may be) upon which the Certificateholders of any series may surrender their Certificates to the Trustee for payment of the final distribution and cancellation, shall be mailed promptly by the Trustee to Certificateholders of such series not earlier than 60 days and not later than 15 days preceding such final distribution specifying (i) the Regular Distribution Date (or Special Distribution Date, as the case may be) upon which the proposed final payment of the Certificates of such series will be made upon presentation and surrender of Certificates of such series at the office or agency of the Trustee therein specified, (ii) the amount of any such proposed final payment, and (iii) that the Record Date otherwise applicable to such Regular Distribution Date (or Special Distribution Date, as the case may be) is not applicable, payments being made only upon presentation and surrender of the Certificates of such series at the office or agency of the Trustee therein specified. The Trustee shall give such notice to the Registrar at the time such notice is given to Certificateholders of such series. Upon presentation and surrender of the Certificates of such series in accordance with such notice, the Trustee shall cause to be distributed to Certificateholders of such series amounts distributable on such Regular Distribution Date (or Special Distribution Date, as the case may be) pursuant to Section 4.02.

In the event that all of the Certificateholders of such series shall not surrender their Certificates for cancellation within six months after the date specified in the above-mentioned written notice, the Trustee shall give a second written notice to the remaining Certificateholders of such series to surrender their Certificates for cancellation and receive the final distribution with respect thereto. No additional interest shall accrue on the Certificates of such series after any Regular Distribution Date (or Special Distribution Date, as the case may be) of such series, as specified in the first written notice. In the event that any money held by the Trustee for the payment of distributions on the Certificates of such series shall remain unclaimed for two years (or such lesser time as the Trustee shall be satisfied, after 60 days' notice from the Company, is one month prior to the escheat period provided under applicable law) after the final distribution date with respect thereto, the Trustee shall pay to each Loan Trustee the appropriate amount of money relating to such Loan Trustee for distribution as provided in the applicable Indenture or other Note Documents and shall give written notice thereof to any related Owner Trustees and the Company.

ARTICLE XII

MISCELLANEOUS PROVISIONS

Section 12.01. Limitation on Rights of Certificateholders.

(a) The insolvency, death or incapacity of any Certificateholder of any series shall not operate to terminate this Agreement or the related Trust, nor entitle such Certificateholder's legal representatives or heirs to claim an accounting or to take any action or commence any proceeding in any court for a partition or winding up of the Trust, nor otherwise affect the rights, obligations and liabilities of the parties hereto or any of them. No Certificateholder of any series shall be entitled to revoke the related Trust.

(b) No transfer, by operation of law or otherwise, of any Certificate or other right, title and interest of any Certificateholder in and to the applicable Trust Property or under the related Trust shall operate to terminate the Trust or entitle such Certificateholder or any successor or transferee of such Certificateholder to an accounting or to the transfer to it of legal title to any part of such Trust Property.

Section 12.02. Certificates Nonassessable and Fully Paid. Certificateholders of each series shall not be personally liable for obligations of the related Trust, the Fractional Undivided Interests represented by the Certificates of such series shall be nonassessable for any losses or expenses of such Trust or for any reason whatsoever, and Certificates of such series upon authentication thereof by the Trustee pursuant to Section 3.02 are and shall be deemed fully paid. No Certificateholder of such series shall have any right (except as expressly provided herein) to vote or in any manner otherwise control the operation and management of the related Trust Property, the related Trust, or the obligations of the parties hereto, nor shall anything set forth herein, or contained in the terms of the Certificates of such series, be construed so as to constitute the Certificateholders of such series from time to time as partners or members of an association.

Section 12.03. Registration of Equipment Notes in Name of Subordination Agent. If a Trust is party to an Intercreditor Agreement, the Trustee agrees that all Equipment Notes to be purchased by such Trust may be issued in the name of the Subordination Agent under such Intercreditor Agreement or its nominee and held by such Subordination Agent in trust for the benefit of the Certificateholders, or, if not so held, such Subordination Agent or its nominee shall be reflected as the owner of such Equipment Notes in the register of the issuer of such Equipment Notes.

Section 12.04. Notices. (a) Unless otherwise expressly specified or permitted by the terms hereof or in the applicable Trust Supplement with respect to any Trust created thereby, all notices required or permitted under the terms and provisions of this Basic Agreement or such Trust Supplement shall be in English and in writing, and any such notice may be given by U.S. mail, courier service or facsimile or any other customary means of communication, and any such notice shall be effective when delivered (or, if mailed, three Business Days after deposit, postage prepaid, in the first class U.S. mail and, if delivered by facsimile, upon completion of transmission and confirmation by the sender (by a telephone call to a representative of the recipient or by machine confirmation) that the transmission was received),

if to the Company, to:

Federal Express Corporation
3610 Hacks Cross Road
Memphis, TN 38125
Attn: General Counsel

with a copy to:

FedEx Corporation
942 S. Shady Grove Road
Memphis, Tennessee 38120
Attention: Treasurer

if to the Trustee, to:

Wilmington Trust Company
1100 North Market Square

Wilmington, DE 19890-1605
Attention: Global Capital Market Services
Ref: FedEx 2020-1AA EETC
Telephone: [ ]
Facsimile: [ ]

(a) The Company or the Trustee, by notice to the other, may designate additional or different addresses for subsequent notices or communications.

(b) Any notice or communication to Certificateholders of any series shall be mailed by first-class mail to the addresses for Certificateholders of such series shown on the Register kept by the Registrar and to addresses filed with the Trustee for Certificate Owners of such series. Failure so to mail a notice or communication or any defect in such notice or communication shall not affect its sufficiency with respect to other Certificateholders or Certificate Owners of such series.

(c) If a notice or communication is mailed in the manner provided above, it is conclusively presumed to have been duly given, whether or not the addressee receives it.

(d) If the Company mails a notice or communication to the Certificateholders of such series, it shall mail a copy to the Trustee and to each Paying Agent for such series at the same time.

(e) The Trustee shall promptly furnish the Company with a copy of any demand, notice or written communication received by the Trustee hereunder from any Certificateholder, Certificate Owner, Owner Trustee, Loan Trustee, Liquidity Provider or Subordination Agent.

(f) Whenever the words "notice" or "notify" or similar words are used herein, they shall have the same meaning ascribed to these terms as set forth in this Section 12.04.

Section 12.05. Governing Law. THIS BASIC AGREEMENT HAS BEEN DELIVERED IN THE STATE OF NEW YORK AND THIS BASIC AGREEMENT, TOGETHER WITH ALL TRUST SUPPLEMENTS AND CERTIFICATES, 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, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER AND THEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

Section 12.06. Severability of Provisions. 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 12.07. Trust Indenture Act Controls. This Agreement is subject to the provisions of the Trust Indenture Act and if any provision of this Agreement limits, qualifies or conflicts with another provision which is required to be included in this Agreement by the Trust Indenture Act, the required provision shall control. If any provision of this Agreement modifies or excludes any provision of the Trust Indenture Act that may be so modified or excluded, the latter provision shall be deemed to apply to this Agreement as so modified, or to be excluded, as the case may be, whether or not such provision of this Agreement refers expressly to such provision of the Trust Indenture Act.

Section 12.08. Effect of Headings and Table of Contents. The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

Section 12.09. Successors and Assigns. All covenants, agreements, representations and warranties in this Agreement by the Trustee and the Company shall bind and, to the extent permitted hereby, shall inure to the benefit of and be enforceable by their respective successors and assigns, whether so expressed or not. Any request, notice, direction, consent, waiver or other instrument or action by any Certificateholder shall bind the successors and assigns of such Certificateholder.

Section 12.10. Benefits of Agreement. Nothing in this Agreement or in the Certificates of any series, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, and the Certificateholders of each series, any benefit or any legal or equitable right, remedy or claim under this Agreement, except as provided expressly herein.

Section 12.11. Legal Holidays. In any case where any Regular Distribution Date or Special Distribution Date relating to any Certificate of any series is not 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 no interest shall accrue during the intervening period.

Section 12.12. Counterparts. For the purpose of facilitating the execution of this Agreement and for other purposes, this Agreement may be executed simultaneously in any number of counterparts, each of which counterparts shall be deemed to be an original, and all of which counterparts shall constitute but one and the same instrument. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or portable document format (.pdf) shall be as effective as delivery of a manually executed counterparty of this Agreement.

Section 12.13. Communication by Certificateholders with Other Certificateholders. Certificateholders of any series may communicate with other Certificateholders of such series with respect to their rights under this Basic Agreement, the related Trust Supplement or the Certificates of such series pursuant to Section 312(b) of the Trust Indenture Act. The Company, the Trustee and any and all other persons benefited by this Agreement shall have the protection afforded by Section 312(c) of the Trust Indenture Act.

Section 12.14. Normal Commercial Relations. Anything contained in this Agreement to the contrary notwithstanding, the Trustee and any Certificateholder, or any bank or other Affiliate of any such party, may conduct any banking or other financial transactions, and have banking or other commercial relationships, with the Company, the Parent and any of their Affiliates fully to the same extent as if this Agreement were not in effect, including without limitation the making of loans or other extensions of credit to the Company, the Parent and any of their Affiliates for any purpose whatsoever, whether related to any of the transactions contemplated hereby or otherwise.

Section 12.15. No Recourse Against Others. No past, present or future director, officer, employee, agent, member, manager, trustee or stockholder, as such, of the Company, the Parent or any successor Person or any Affiliate of any thereof shall have any liability for any obligations of the Company, the Parent or any successor Person or any Affiliate of any thereof, either directly or through the Company, the Parent or any successor Person or any Affiliate of any thereof, under the Certificates, this Agreement or any Parent Guarantee or for any claim based on, in respect of or by reason of such obligations or their creation, whether by virtue of any rule of law, statute or constitutional provision or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise. By accepting a Certificate, each Certificateholder agrees to the provisions of this Section 12.15 and waives and releases all such liability. Such waiver and release shall be part of the consideration for the issue of the Certificates.

IN WITNESS WHEREOF, the parties have caused this Pass Through Trust Agreement to be duly executed by their respective officers thereunto duly authorized as of the day and year first written above.

FEDERAL EXPRESS CORPORATION

By: /s/ Herbert C. Nappier
Name: Herbert C. Nappier
Title: Treasurer

WILMINGTON TRUST COMPANY,
Trustee

By: /s/ Adam R. Vogelsong
Name: Adam R. Vogelsong
Title: Vice President

Exhibit 4.2

EXECUTION VERSION

TRUST SUPPLEMENT NO. 2020-1AA

Dated as of August 13, 2020

between

FEDERAL EXPRESS CORPORATION

and

WILMINGTON TRUST COMPANY
as Trustee,

To

PASS THROUGH TRUST AGREEMENT
Dated as of August 13, 2020

FedEx Pass Through Trust 2020-1AA
FedEx Pass Through Certificates,
Series 2020-1AA

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TRUST SUPPLEMENT NO. 2020-1AA

This TRUST SUPPLEMENT NO. 2020-1AA, dated as of August 13, 2020 (as amended from time to time, the "Trust Supplement"), between FEDERAL EXPRESS CORPORATION, a Delaware corporation (together with any successor in interest pursuant to Section 5.02 of the Basic Agreement, the "Company"), and Wilmington Trust Company, (together with any successor in interest and any successor or other trustee appointed as provided in the Basic Agreement, the "Trustee") under the Pass Through Trust Agreement, dated as of August 13, 2020, between the Company and the Trustee (the "Basic Agreement").

W I T N E S S E T H:

WHEREAS, the Basic Agreement, which is unlimited as to the aggregate face amount of Certificates that may be issued and authenticated thereunder, has heretofore been executed and delivered;

WHEREAS, the Company is the owner of the 19 aircraft described in Schedule I (the "Aircraft"), and the Company wishes to finance the Aircraft through the issuance of the Equipment Notes;

WHEREAS, pursuant to each Indenture, the Company will issue on a recourse basis Equipment Notes secured by the related Aircraft and may issue one or more series of Additional Equipment Notes and one or more series of Refinancing Equipment Notes;

WHEREAS, the Trustee shall hereby declare the creation of the Trust (as defined below) for the benefit of Holders of the Certificates (as defined below) to be issued in respect of such Trust, and the initial Holders of the Certificates, as grantors of such Trust, by their respective acceptances of the Certificates, shall join in the creation of the Trust with the Trustee;

WHEREAS, all Certificates to be issued by the Trust will evidence Fractional Undivided Interests in the Trust and will have no rights, benefits or interests in respect of any other separate Trust or the property held therein;

WHEREAS, pursuant to the terms and conditions of the Basic Agreement, as supplemented by this Trust Supplement and the Participation Agreements, the Trustee on behalf of the Trust shall purchase the Equipment Notes issued by the Company pursuant to the Indentures related to the Aircraft having the identical interest rate as, and final maturity dates not later than the final Regular Distribution Date of, the Certificates issued hereunder and shall hold such Equipment Notes in trust for the benefit of the Certificateholders;

WHEREAS, pursuant to the terms and conditions of the Parent Guarantee (as defined below), the Parent (as defined below) has agreed to provide an unconditional guarantee for the benefit of the Trustee, the Subordination Agent and the Loan Trustee of the Company's obligations under the Indentures, the Participation Agreements and the Equipment Notes;

WHEREAS, pursuant to the terms and conditions of the Intercreditor Agreement referred to in Section 3.02(j) hereof, the Trustee and the other parties thereto will agree to the terms of subordination set forth therein;

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; and

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

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 Definitions. Unless otherwise specified herein or the context otherwise requires, capitalized terms used but not defined herein, including in the recitals hereto, shall have the respective meanings set forth, and shall be construed and interpreted in the manner described, in the Basic Agreement. As used herein, the term "Agreement" shall mean the Basic Agreement, as supplemented by this Trust Supplement. For all purposes of the Basic Agreement as supplemented by this Trust Supplement, the following capitalized terms have the following meanings (any term used in this Trust Supplement 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).

Additional Certificateholder: Has the meaning specified in the Intercreditor Agreement.

Additional Certificates: Has the meaning specified in the Intercreditor Agreement.

Additional Equipment Notes: Has the meaning specified in the Intercreditor Agreement.

Additional Trust: Has the meaning specified in the Intercreditor Agreement.

Additional Trust Agreement: Has the meaning specified in the Intercreditor Agreement.

Affiliate: Has the meaning specified in the Intercreditor Agreement.

Agreement: Has the meaning specified in the first paragraph of Section 1.01 of this Trust Supplement.

Aircraft: Has the meaning specified in the recitals to this Trust Supplement and shall include any Replacement Aircraft and any Substitute Aircraft (each as defined in the applicable Indenture) in replacement or substitution thereof in accordance with the applicable Indenture.

Applicable Participation Agreement: Has the meaning specified in Section 7.01(b) of this Trust Supplement.

Basic Agreement: Has the meaning specified in the preamble to this Trust Supplement.

Benefit Plan Investor: Means (a) any employee benefit plan (as defined in Section 3(3) of ERISA) that is subject to Title I of ERISA, (b) any plan, account or other arrangement to which Section 4975 of the Code applies or (c) any entity whose underlying assets include plan assets by reason of such employee benefit plan's, plan's, account's or arrangement's investment in the entity or otherwise.

Business Day: Has the meaning specified in the Intercreditor Agreement.

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

Certificate Buy-Out Event: Has the meaning specified in the Intercreditor Agreement.

Certificateholder: Means the Person in whose name a Certificate is registered in the Register for the Certificates of such Class.

Class: Has the meaning specified in the Intercreditor Agreement.

Code: Means the Internal Revenue Code of 1986, as amended.

Company: Has the meaning specified in the preamble to this Trust Supplement.

Corporate Trust Office: Has the meaning specified in the Intercreditor Agreement.

Definitive Certificates: Has the meaning specified in Section 4.01(e) of this Trust Supplement.

Distribution Date: Means a Regular Distribution Date or a Special Distribution Date.

DTC: Has the meaning specified in Section 3.02(f) of this Trust Supplement.

DTC Participants: Has the meaning specified in Section 4.01(b) of this Trust Supplement.

Equipment Notes: Has the meaning specified in the Intercreditor Agreement.

ERISA: Means the Employee Retirement Income Security Act of 1974, as amended.

Event of Default: With respect to any Indenture, has the meaning specified in Section 4.01 of such Indenture.

Fractional Undivided Interests: Has the meaning specified in the Intercreditor Agreement.

Global Certificate: Has the meaning specified in Section 4.01(b) of this Trust Supplement.

Holder: Means a Certificateholder.

Indenture: Has the meaning specified in the Intercreditor Agreement.

Indirect Participants: Has the meaning specified in Section 4.01(b) of this Trust Supplement.

Intercreditor Agreement: Has the meaning specified in Section 3.02(j) of this Trust Supplement.

Issuance Date: Has the meaning specified in Section 7.01(a) of this Trust Supplement.

Junior Additional Certificateholder: Means, with respect to any Additional Certificateholder exercising its right to purchase Certificates under Section 6.01 of this Trust Supplement, any holder of any class of Additional Certificates that rank junior, in priority of payment of "Expected Distributions" for such class under the Intercreditor Agreement, to the class of Additional Certificates held by such Additional Certificateholder.

Liquidity Facility: Has the meaning specified in the Intercreditor Agreement.

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

Loan Trustee: Means, with respect to any Indenture, the bank, trust company or other financial institution designated as loan trustee thereunder, and any successor to such loan trustee.

Note Documents: Means, collectively, the Participation Agreements, the Indentures, each Indenture Supplement (as defined in any Indenture), each Manufacturer's Consent (as defined in any Indenture), the Equipment Notes and the Parent Guarantee.

Operative Agreements: Has the meaning specified in the Intercreditor Agreement.

Other Agreements: Means (i) any Additional Trust Agreement and (ii) any Refinancing Trust Agreement.

Other Trustees: Means the trustees under the Other Agreements, and any successor or other trustee appointed as provided therein.

Other Trusts: Means any Additional Trust or Trusts, or any Refinancing Trust or Trusts, in each case created by the applicable Other Agreement.

Parent: Means FedEx Corporation, a Delaware corporation.

Parent Guarantee: Means the guarantee provided by the Parent, dated as of the date hereof, substantially in the form of Exhibit C hereto, as the same may be amended, supplemented or otherwise modified from time to time, in accordance with its terms and the terms of the other Note Documents.

Participation Agreement: Has the meaning specified in the Intercreditor Agreement.

Paying Agent: Means the paying agent maintained and appointed for the Certificates pursuant to Section 7.12 of the Basic Agreement.

Person: Means any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, trustee, unincorporated organization or government or any agency or political subdivision thereof.

Plan: Means (i) a retirement plan or other employee benefit plan or arrangement, including for this purpose an individual retirement account, annuity or Keogh plan, that is subject to Title I of ERISA or Section 4975 of the Code, (ii) a plan or arrangement which is a non-U.S., church or governmental plan or arrangement that is not subject to Title I of ERISA or Section 4975 of the Code but is subject to a Similar Law or (iii) any entity whose underlying assets are deemed to include the assets of any plan or arrangement described in (i) and (ii) above by virtue of the U.S. Department of Labor regulation in 29 CFR §2510.3-101, as modified by Section 3(42) of ERISA, or otherwise.

Plan Fiduciary: Has the meaning specified in Section 3.02(i) of this Trust Supplement.

Pool Balance: Means, as of any date, (i) the original aggregate face amount of the Certificates less (ii) the aggregate amount of all distributions made as of such date in respect of the Certificates other than distributions made in respect of interest or Premium 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 distribution with respect to the payment of principal, if any, of the Equipment Notes or payment with respect to other Trust Property and the distribution thereof to the Certificateholders, if any, to be made on such date.

Pool Factor: Means, as of any Distribution 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 Certificates. The Pool Factor as of any Distribution Date shall be computed after giving effect to any distribution with respect to payment of principal, if any, of the Equipment Notes or payment with respect to other Trust Property and the distribution thereof to the Certificateholders, if any, to be made on that date.

Premium: Has the meaning specified in the Intercreditor Agreement.

Prospectus Supplement: Means the final prospectus supplement, dated July 30, 2020, relating to the offering of the Certificates.

Rating Agencies: Has the meaning specified in the Intercreditor Agreement.

Refinancing Certificateholder: Has the meaning specified in the Intercreditor Agreement.

Refinancing Certificates: Has the meaning specified in the Intercreditor Agreement.

Refinancing Equipment Notes: Has the meaning specified in the Intercreditor Agreement.

Refinancing Trust: Has the meaning specified in the Intercreditor Agreement.

Refinancing Trust Agreement: Has the meaning specified in the Intercreditor Agreement.

Regular Distribution Date: Has the meaning specified in Section 3.02(c) of this Trust Supplement.

Replacement Liquidity Facility: Has the meaning specified in the Intercreditor Agreement.

Replacement Liquidity Provider: Has the meaning specified in the Intercreditor Agreement.

Responsible Officer: Has the meaning specified in the Intercreditor Agreement.

Scheduled Payment: Has the meaning specified in the Intercreditor Agreement.

Securities Act: Means the Securities Act of 1933, as amended.

Similar Law: Means any non-U.S., federal, state, or local law or regulation which is substantially similar to the fiduciary responsibility and/or prohibited transaction provisions of Title I of ERISA or Section 4975 of the Code.

Special Distribution Date: Means each date on which a Special Payment is to be distributed as specified in this Agreement.

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

Special Payments Account: Means the account or accounts created and maintained for such series pursuant to Section 4.01(b) of the Basic Agreement (as modified by Section 7.01(c) of this Trust Supplement) and this Trust Supplement.

Subordination Agent: Has the meaning specified in the Intercreditor Agreement.

Triggering Event: Has the meaning specified in the Intercreditor Agreement.

Trust: Has the meaning specified in Section 2.01 of this Trust Supplement.

Trust Indenture Act: Means the Trust Indenture Act of 1939, as amended.

Trust Property: Means (i) subject to the Intercreditor Agreement, the Equipment Notes held as the property of the Trust, the Parent Guarantee, 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 any Equipment Notes and (iii) all rights of the Trust and the Trustee, on behalf of the Trust, under the Intercreditor Agreement and the Liquidity Facility, including, without limitation, all rights to receive certain payments thereunder, and all monies paid to the Trustee on behalf of the Trust pursuant to the Intercreditor Agreement, the Parent Guarantee or the Liquidity Facility.

Trust Supplement: Has the meaning specified in the preamble hereto.

Trustee: Has the meaning specified in the preamble to this Trust Supplement.

Underwriters: Means Citigroup Global Markets, Inc., Deutsche Bank Securities Inc., Morgan Stanley & Co. LLC, BNP Paribas Securities Corp. and Academy Securities, Inc.

Underwriting Agreement: Means the Underwriting Agreement, dated July 30, 2020, among the Representatives (as defined in the Underwriting Agreement) of the Underwriters and the Company, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

ARTICLE II

DECLARATION OF TRUST

Section 2.01 Declaration of Trust. The Trustee hereby declares the creation of a Trust, designated the "FedEx Pass Through Trust 2020-1AA" (the "Trust"), for the benefit of the Holders of the Certificates to be issued in respect of such Trust, and the initial Holders of the Certificates, as grantors of such Trust, by their respective acceptances of the Certificates, join in the creation of such Trust with the Trustee. The Trustee, by the execution and delivery of this Trust Supplement, acknowledges its acceptance of all right, title and interest in and to the Trust Property to be acquired pursuant to Section 7.01(b) of this Trust Supplement and the Participation Agreements and the Trustee will hold such right, title and interest for the benefit of all present and future Holders of the Certificates, upon the trusts set forth in the Basic Agreement and this Trust Supplement. The provisions of this Section 2.01 supersede and replace the provisions of Section 2.03 of the Basic Agreement, with respect to the Trust.

Section 2.02 Permitted Activities. The Trust may only engage in the transactions contemplated by the Operative Agreements, subject to Section 10.05 of this Trust Supplement.

ARTICLE III

THE CERTIFICATES

Section 3.01 The Certificates. There is hereby created a series of Certificates to be issued under this Agreement designated as "FedEx Through Certificates, Series 2020-1AA" (the "Certificates"). Each Certificate represents a Fractional Undivided Interest in the Trust created hereby. The Certificates shall be the only instruments evidencing a Fractional Undivided Interest in the Trust. The Certificates do not represent indebtedness of the Trust, and references herein to interest accruing on the Certificates are included for purposes of computation only.

Section 3.02 Terms and Conditions. The terms and conditions applicable to the Certificates and the Trust are as follows:

(a) The aggregate face amount of the Certificates that may be authenticated and delivered under this Agreement (except for Certificates authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Certificates pursuant to Sections 3.03, 3.04, 3.05 and 3.06 of the Basic Agreement and Section 4.03 of this Trust Supplement) is $970,000,000.

(b) [Reserved]

(c) The distribution dates with respect to any payment of Scheduled Payments (each such distribution date, a "Regular Distribution Date") shall be February 20 and August 20, commencing on February 20, 2021, until payment of all of the Scheduled Payments to be made under the Equipment Notes has been made; 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 without additional interest.

(d) The Special Distribution Date with respect to the Certificates means any Business Day on which a Special Payment is to be distributed pursuant to this Agreement.

(e) [Reserved]

(f) The Certificates shall be in the form attached hereto as Exhibit A, shall be Book-Entry Certificates (subject to Section 3.05(d) of the Basic Agreement and Section 4.03 of this Trust Supplement), and shall be subject to the conditions set forth in the Letter of Representations between the Trust and The Depository Trust Company and any successor agency thereto ("DTC"), as initial Clearing Agency, attached hereto as Exhibit B.

(g) The proceeds of the offering of Certificates issued by the Trust shall be used on the date hereof to acquire the Equipment Notes described in Schedule I that relate to the Aircraft and to the Note Documents described in Schedule II.

(h) Any Person acquiring or accepting a Certificate or an interest therein will, by such acquisition or acceptance, be deemed to (i) represent and warrant to the Company, the Parent, the Loan Trustees and the Trustee that either (1) no assets of a Plan or any trust established with respect to a Plan have been used to purchase or hold Certificates or an interest therein or (2) the purchase and holding of Certificates or an interests therein by such Person are exempt from the prohibited transaction restrictions of ERISA and the Code or provisions of any Similar Law pursuant to one or more prohibited transaction statutory or administrative exemptions or similar exemptions under Similar Law or otherwise will not constitute or result in a prohibited transaction under ERISA or the Code or a violation of any Similar Law and (ii) direct the Trustee to invest the assets held in the Trust pursuant to, and take all other actions contemplated by, the terms and conditions of the Basic Agreement, this Trust Supplement, the Intercreditor Agreement, each Participation Agreement and the Parent Guarantee.

(i) Each Person or transferee that acquires or holds any Certificate or any beneficial interest therein that is a Benefit Plan Investor will be deemed to represent, warrant and agree that (i) none of the Company, the Parent, the Underwriters, the Trustee, the Liquidity Provider, the Loan Trustee, the Subordination Agent or any of their respective affiliates or other persons that provide marketing services has provided, and none of them will provide, any investment recommendation or investment advice on which it, or any fiduciary or other person investing the assets of the Benefit Plan Investor ("Plan Fiduciary"), has relied or will rely as a primary basis in connection with its decision to invest in the Certificates, and none of them is otherwise acting as a fiduciary, as defined in Section 3(21) of ERISA or Section 4975(e)(3) of the Code, to the Benefit Plan Investor or the Plan Fiduciary in connection with the Benefit Plan Investor's acquisition of the Certificates; and (ii) the Plan Fiduciary is exercising its own independent judgment in evaluating the investment in the Certificates.

(j) The Certificates will be subject to the following Intercreditor Agreement (and to the extent the terms thereof (including the definitions of defined terms) are inconsistent with the terms of this Agreement, such Intercreditor Agreement shall control): that certain Intercreditor Agreement, dated as of the date hereof, among Wilmington Trust Company, as Trustee BNP Paribas, acting through its New York branch, a *société anonyme* organized under the laws of France, as Liquidity Provider, and Wilmington Trust Company, as Subordination Agent thereunder (as may be amended, supplemented or otherwise modified from time to time in accordance with its terms, the "Intercreditor Agreement"). Under Article VI hereof, the Holders of the Certificates, Additional Certificates (if issued) or Refinancing Certificates (if issued) shall have the rights and obligations upon the occurrence of a Certificate Buy Out Event set forth therein. The Trustee and, by acceptance of any Certificate, each Certificateholder thereof, agrees to be bound by all of the provisions of the Intercreditor Agreement, including the subordination provisions of Section 9.09 thereof.

(k) [Reserved]

(l) The Certificates will have the benefit of the following liquidity facility: that certain Revolving Credit Agreement (2020-1AA), dated as of the date hereof, between Wilmington Trust Company, as Subordination Agent under the Intercreditor Agreement, as agent and trustee for the Trust, and the Liquidity Provider.

(m) The Responsible Party is the Company.

(n) The Company, the Parent, any other obligor upon the Certificates, and any Affiliate of any thereof may acquire, tender for, purchase, own, hold, become the pledgee of and otherwise deal with any Certificate.

(o) The Parent will provide a guarantee, substantially in the form of Exhibit C hereto.

ARTICLE IV

ISSUANCE AND TRANSFER OF THE CERTIFICATES

Section 4.01 Issuance of Certificates. (a) The Certificates will be issued in minimum denominations of $2,000 (or such other denomination that is the lowest integral multiple of $1,000 that is, at the time of issuance, equal to at least 1,000 euros) and integral multiples of $1,000 in excess thereof, except that one Certificate may be issued in a different denomination. Each Certificate shall be dated the date of its authentication.

(a) The Certificates shall be issued initially in the form of one or more global Certificates in definitive, fully registered form without interest coupons, substantially in the form of Exhibit A hereto (each, a "Global Certificate"), duly executed and authenticated by the Trustee as hereinafter provided. Each Global Certificate will be registered in the name of a nominee for DTC for credit to the account of members of, or participants in, DTC ("DTC Participants") or to the account of indirect participants that clear through or maintain a custodial relationship with a DTC Participant, either directly or indirectly ("Indirect Participants"), and will be deposited with the Trustee, as custodian for DTC. The aggregate principal amount of a Global Certificate may from time to time be decreased by adjustments made on the records of DTC or its nominee, or of the Trustee, as custodian for DTC or its nominee, as hereinafter provided, which adjustments shall be conclusive as to the aggregate principal amount of any such Global Certificate.

(b) [Reserved]

(c) [Reserved]

(d) Certificated Certificates in registered form shall be issued only under the circumstances set forth in Section 4.03(b) hereof, in substantially the form set forth as Exhibit A hereto (the "Definitive Certificates") and shall be in fully registered form and shall be typed, printed, lithographed or engraved or produced by any combination of these methods or may be produced in any other manner, all as determined by the officers executing such Definitive Certificates, as evidenced by their execution of such Definitive Certificates.

Section 4.02 Legends. (a) Each Global Certificate shall bear the following legend on the face thereof:

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE TRUSTEE 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 HEREON 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.

(b) Each Certificate shall bear the following legend on the face thereof:

BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT EITHER (1) NO ASSETS OF A PLAN OR ANY TRUST ESTABLISHED WITH RESPECT TO A PLAN HAVE BEEN USED TO PURCHASE OR HOLD THIS CERTIFICATE OR AN INTEREST HEREIN, OR (2) THE PURCHASE AND HOLDING OF THIS CERTIFICATE OR AN INTEREST HEREIN BY SUCH A PERSON ARE EXEMPT FROM THE PROHIBITED TRANSACTION RESTRICTIONS OF ERISA AND THE CODE OR PROVISIONS OF ANY SIMILAR LAW PURSUANT TO ONE OR MORE PROHIBITED TRANSACTION STATUTORY OR ADMINISTRATIVE EXEMPTIONS OR SIMILAR EXEMPTIONS UNDER SIMILAR LAW OR OTHERWISE WILL NOT CONSTITUTE OR RESULT IN A PROHIBITED TRANSACTION UNDER ERISA OR THE CODE OR A VIOLATION OF ANY SIMILAR LAW, AND (B) DIRECTS THE TRUSTEE TO INVEST IN THE ASSETS HELD IN THE TRUST PURSUANT TO THE TERMS AND CONDITIONS OF THE BASIC AGREEMENT, THIS TRUST SUPPLEMENT, THE INTERCREDITOR AGREEMENT, EACH PARTICIPATION AGREEMENT AND THE PARENT GUARANTEE. CERTAIN TERMS USED IN THIS PARAGRAPH SHALL HAVE THE MEANINGS SPECIFIED IN THE AGREEMENT.

Section 4.03 Book-Entry Provisions for Global Certificates. (a) DTC Participants shall have no rights under this Agreement with respect to any Global Certificate held on their behalf by DTC, or the Trustee as its custodian, and DTC may be treated by the Trustee and any agent of the Trustee as the absolute owner of such Global Certificate for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Trustee or any agent of the Trustee from giving effect to any written certification, proxy or other authorization furnished by DTC or shall impair, as between DTC and its DTC Participants, the operation of customary practices governing the exercise of the rights of a holder of any Certificate. Upon the issuance of any Global Certificate, the Registrar or its duly appointed agent shall record Cede & Co. or another nominee of DTC as the registered holder of such Global Certificate.

(a) Transfers of any Global Certificate shall be limited to transfers of such Global Certificate in whole, but not in part, to nominees of DTC, its successor or such successor's nominees. Beneficial interests in Global Certificates may be transferred in accordance with the rules and procedures of DTC and the provisions of Section 3.05(d) of the Basic Agreement and this Section 4.03. Beneficial interests in Global Certificates shall be delivered to all beneficial owners thereof in the form of Definitive Certificates, only if (i) DTC notifies the Trustee in writing that it is no longer willing or able to discharge properly its responsibilities as depositary for the Global Certificates, and a successor depositary is not appointed by the Trustee within 90 days of such notice, (ii) either the Company or Parent, at its option, advises the Trustee in writing that it elects to terminate the book-entry system through DTC or (iii) after the occurrence and during the continuance of an Event of Default, Certificateholders with Fractional Undivided Interests aggregating not less than a majority in interest in all Fractional Undivided Interests in the Trust advise the Trustee, the Company, Parent and DTC through DTC Participants in writing that the continuation of a book-entry system through DTC (or a successor thereto) is no longer in the = Certificateholders' best interests. None of the Company, Parent nor the Trustee shall be liable if any such Person is unable to locate a qualified successor clearing system.

(b) [Reserved]

(c) In connection with the transfer of the entire amount of a Global Certificate to the beneficial owners thereof pursuant to the third sentence of paragraph (b) of this Section 4.03, such Global Certificate shall be deemed to be surrendered to the Trustee for cancellation, and the Trustee shall execute, authenticate and deliver to each beneficial owner, in exchange for the beneficial interest thereof in such Global Certificate, an equal aggregate face amount of Definitive Certificates of authorized denominations, in each case as such beneficial owner and related aggregate face amount shall have been identified and otherwise set forth (together with such other information as may be required for the registration of such Definitive Certificates) in registration instructions that shall have been delivered by or on behalf of DTC to the Trustee. None of the Company, the Parent, the Registrar, the Paying Agent nor the Trustee shall be liable for any delay in delivery of such registration instructions and each such Person may conclusively rely on, and shall be protected in relying on, such registration instructions. Upon the issuance of any Definitive Certificate, the Trustee shall recognize the Person in whose name such Definitive Certificate is registered in the Register as a Certificateholder hereunder.

(d) The registered Holder of a Global Certificate may grant proxies and otherwise authorize any Person, including DTC Participants and Persons that may hold interests through DTC Participants, to take any action which a Holder is entitled to take under this Agreement or the Certificates.

(e) Neither the Company, the Parent, nor the Trustee, nor the Registrar, nor the Paying Agent shall have any responsibility or liability for: (i) any aspect of the records relating to or payments made on account of beneficial ownership interests in the Global Certificates, (ii) maintaining, supervising or reviewing any records relating to such beneficial ownership interests or (iii) the performance by DTC, any DTC Participant or any Indirect Participant of their respective obligations under the rules, regulations and procedures creating and affecting DTC and its operation or any other statutory, regulatory, contractual or customary procedures governing their obligations.

ARTICLE V

DISTRIBUTION; STATEMENTS TO CERTIFICATEHOLDERS

Section 5.01 Statements to Certificateholders. (a) On each Regular Distribution Date and Special Distribution Date, the Trustee will include with each distribution to the Certificateholders a statement, giving effect to the distribution to be made on such Regular Distribution Date or Special Distribution Date, setting forth the following information (per $1,000 aggregate face amount of Certificates as to clauses (ii) and (iii) below):

(i) the aggregate amount of funds distributed on such Distribution Date under this Agreement, indicating the amount, if any, allocable to each source (including any portion thereof paid by the Liquidity Provider);

(ii) the amount of such distribution under this Agreement allocable to principal and the amount allocable to Premium (if any);

(iii) the amount of such distribution under this Agreement allocable to interest (including any portion thereof paid by the Liquidity Provider); and

(iv) the Pool Balance and the Pool Factor.

With respect to the Certificates registered in the name of DTC or its nominee, on the Record Date prior to each Regular Distribution Date and Special Distribution Date, the Trustee will provide to DTC the statements listed above to post on its Internet bulletin board for all the DTC Participants reflected on DTC's books as holding interests in the Certificates on such Record Date.

(b) Within a reasonable period of time after the end of each calendar year but not later than the latest date permitted by law (without extensions), the Trustee shall furnish to each Person who at any time during such calendar year was a 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 a Certificateholder of record during a portion of such calendar year, for the applicable portion of such year, and such other items as are readily available to the Trustee and which a Certificateholder may reasonably request as necessary for the purpose of such Certificateholder's preparation of its United States federal income tax returns or foreign income tax returns. With respect to Certificates registered in the name of DTC or its nominee, such statement and such other items shall be prepared on the basis of information supplied to the Trustee by DTC and shall be delivered by the Trustee to DTC to be available for forwarding by DTC to the DTC Participants and to the holders of interests in the Certificates.

(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 Trust, the Trustee shall furnish to Certificateholders of record on such date a statement setting forth (x) the expected Pool Balances for each subsequent Regular Distribution Date following the date of such early redemption, purchase or default, (y) the related Pool Factors for such Regular Distribution Dates and (z) the expected principal distribution schedule of the Equipment Notes, in the aggregate, held as Trust Property at the date of such notice. The Trustee will send electronically, in accordance with DTC's applicable procedures, to DTC the statement described above and will make available additional copies as requested by DTC for forwarding to DTC Participants and holders of interests in the Certificates.

(d) The provisions of this Section 5.01 supersede and replace the provisions of Section 4.03 of the Basic Agreement in their entirety with respect to the Trust.

ARTICLE VI

DEFAULT

Section 6.01 Purchase Rights of Certificateholders. (a) By acceptance of its Certificate, each Certificateholder agrees that at any time after the occurrence and during the continuation of a Certificate Buy-Out Event:

(i) [Reserved]

(ii) if any Additional Certificates are issued by an Additional Trust, so long as no Junior Additional Certificateholder (if any) has elected to exercise its rights to purchase Certificates and any senior Additional Certificates, if any, pursuant to, and given notice of such election in accordance with, this Section 6.01(a) (upon such election and notification thereof, the right specified in this Section 6.01(a)(ii) of the applicable Additional Certificateholder shall be suspended and (x) upon consummation of the purchase pursuant to such election, be terminated with respect to such Certificate Buy-Out Event, or (y) upon failure to consummate such purchase on the proposed purchase date, such right shall be revived), each Additional Certificateholder (other than the Company, the Parent or any of their respective Affiliates) shall have the right (which shall not expire upon any purchase of the Certificates pursuant this clause) to purchase all, but not less than all, of the Certificates and any Additional Certificates ranked senior, in priority of payment of "Expected Distributions" therefor under the Intercreditor Agreement, to the Additional Certificates held by the purchasing Additional Certificateholder upon ten days' prior written irrevocable notice to the Trustee, the trustee of any Additional Trust with respect to any Additional Certificates that rank senior, in priority of payment of "Expected Distributions" therefor under the Intercreditor Agreement, to the Additional Certificates held by the purchasing Additional Certificateholder and each other Additional Certificateholder of the same class, on the third Business Day following the expiration of such ten-day notice period, provided that (A) if prior to the end of such ten-day period any other Additional Certificateholder(s) of such class (other than the Company, the Parent or any of their respective Affiliates) notifies such purchasing Additional Certificateholder that such other Additional Certificateholder(s) want(s) to participate in such purchase, then such other Additional Certificateholder(s) (other than the Company, the Parent or any of their respective Affiliates) may join with the purchasing Additional Certificateholder to purchase all, but not less than all, of the Certificates and such senior Additional Certificates pro rata based on the Fractional Undivided Interest in the applicable Additional Trust held by each such Additional Certificateholder and (B) upon consummation of such purchase no Additional Certificateholder of such class shall have a right to purchase the Certificates, and such senior Additional Certificates pursuant to this Section 6.01(a)(ii) during the continuance of such Certificate Buy-Out Event, and

(iii) if any Refinancing Certificates are issued, each Refinancing Certificateholder shall have the same right (subject to the same terms and conditions) to purchase Certificates pursuant to this Section 6.01(a) (and to receive notice in connection therewith) as the Holders of the Class that such Refinancing Certificates refinanced.

The purchase price with respect to the Certificates shall be equal to the Pool Balance of the Certificates, together with accrued and unpaid interest in respect thereof to the date of such purchase, and any other amounts then due and payable to the Certificateholders under this Agreement, the Intercreditor Agreement, any Equipment Note held as the property of the Trust or the related Indenture, the Parent Guarantee and Participation Agreement or on or in respect of the Certificates but without any Premium, provided, however, that if such purchase occurs after the Record Date relating to any Distribution Date, such purchase price shall be reduced by the amount to be distributed hereunder on such related Distribution Date (which deducted amounts shall remain distributable to, and may be retained by, the Certificateholders as of such Record Date); provided further that no such purchase of Certificates pursuant to this Section 6.01(a) shall be effective unless the purchaser(s) shall certify to the Trustee that contemporaneously with such purchase, such purchaser(s) is purchasing, pursuant to the terms of this Agreement, the applicable Additional Trust Agreement (if any) or the applicable Refinancing Trust Agreement (as the case may be), and the Intercreditor Agreement, all of the Certificates and, if applicable, the Additional Certificates, if any, and the Refinancing Certificates, if any, that in each case rank senior, in priority of payment of "Expected Distributions" therefor under the Intercreditor Agreement. Each payment of the purchase price of the Certificates referred to in the first sentence of this paragraph 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 6.01(a). Each Certificateholder agrees by its acceptance of its Certificate that it will, upon payment from such Additional Certificateholder(s) or Refinancing Certificateholder(s), as the case may be, of the purchase price set forth in the first sentence of this paragraph, forthwith sell, assign, transfer and convey to the purchaser(s) thereof (without recourse, representation or warranty of any kind except as to its own acts) all of the right, title, interest and obligation of such Certificateholder in this Agreement, the Intercreditor Agreement, the Liquidity Facility, the Note Documents and all Certificates held by such 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(s) shall assume all of such Certificateholder's obligations under this Agreement, the Intercreditor Agreement, the Liquidity Facility, the Note Documents and all such Certificates. The Certificates will be deemed to be purchased on the date payment of the purchase price is made notwithstanding the failure of any Certificateholder to deliver any Certificate and, upon such a purchase, (i) the Certificateholders shall have no further rights with respect to the Certificates and (ii) if the purchaser(s) shall so request, each such Certificateholder will comply with all the provisions of Section 3.04 of the Basic Agreement and the applicable provisions of this Trust Supplement to enable new Certificates to be issued to the purchaser(s) in such denominations otherwise authorized under this Agreement as it shall request. All charges and expenses in connection with the issuance of any such new Certificates shall be borne by the purchaser(s) thereof.

(b) This Section 6.01 supplements and, to the extent inconsistent with any provision of Section 6.01(d) of the Basic Agreement, replaces the provisions of Section 6.01(d) of the Basic Agreement. Notwithstanding anything to the contrary set forth herein or in any Operative Agreement, the provisions of this Section 6.01 may not be amended in any manner without the consent of each Certificateholder and each Additional Certificateholder (if any) or, as the case may be, Refinancing Certificateholder (if any) (in each case, other than the Company, the Parent or any of their respective Affiliates in its respective capacity as a Certificateholder) that would be adversely affected thereby; provided that the purchase price under this Section 6.01 (as in effect on the date hereof) for any Certificate held by the Company, the Parent or any of their respective Affiliates shall not be modified without the prior written consent of the Company or Parent, as applicable. For the avoidance of doubt, if a Certificate Buy-Out Event ceases to exist and another Certificate Buy-Out Event occurs and is continuing, the purchase rights set forth in Section 6.01(a) shall be revived notwithstanding any exercise of such rights during the continuance of any preceding Certificate Buy-Out Event.

ARTICLE VII

THE TRUSTEE

Section 7.01 Delivery of Documents; Delivery Dates. (a) In accordance with the direction of each Certificateholder deemed given pursuant to Section 3.02(h) of this Trust Supplement, the Trustee is hereby directed (i) to execute and deliver the Intercreditor Agreement on or prior to the date of the initial issuance of the Certificates (the "Issuance Date"), in the form delivered to the Trustee by the Company, and (ii) subject to the 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 Certificates in authorized denominations equaling in the aggregate the amount set forth, with respect to the Trust, in Schedule I to the Underwriting Agreement evidencing the entire ownership interest in the Trust, which amount equals the maximum aggregate principal amount of Equipment Notes which may be purchased by the Trustee. Except as provided in Sections 3.03, 3.04, 3.05 and 3.06 of the Basic Agreement or Section 4.03 of this Trust Supplement, the Trustee shall not execute, authenticate or deliver Certificates in excess of the aggregate amount specified in this paragraph. The provisions of this Section 7.01(a) supersede and replace the first three sentences of Section 2.02(a) of the Basic Agreement and the first sentence of Section 3.02(a) of the Basic Agreement, with respect to the Trust.

(b) On the Issuance Date the Trustee shall enter into and perform its obligations under the Participation Agreement (the "Applicable Participation Agreement") with respect to each Aircraft and cause such certificates, documents and legal opinions relating to the Trustee to be duly delivered as required by the Applicable Participation Agreement. Upon satisfaction of the conditions specified in the Applicable Participation Agreement, the Trustee shall purchase the applicable Equipment Notes with the proceeds of the Certificates on the Issuance Date. The purchase price of such Equipment Notes shall equal the principal amount of such Equipment Notes. The provisions of this Section 7.01(b) supersede and replace the provisions of Section 2.02 of the Basic Agreement with respect to the Trust, and no provisions of the Basic Agreement relating to Postponed Notes and Section 2.02 of the Basic Agreement shall apply to the Trust.

(c) With respect to the Trust, Section 4.01(b) of the Basic Agreement is superseded and replaced in its entirety with the following: "The Trustee shall establish and maintain on behalf of the Certificateholders a Special Payments Account as one or more accounts, which shall be non-interest bearing except as provided in Section 4.04 of the Basic Agreement. The Trustee shall hold the Special Payments Account in trust for the benefit of the Certificateholders and shall make or permit withdrawals therefrom only as provided in the Agreement or the Intercreditor Agreement. On each day when one or more Special Payments are made to the Trustee under the Intercreditor Agreement, the Trustee, upon receipt thereof, shall immediately deposit the aggregate amount of such Special Payments in the Special Payments Account."

(d) With respect to the Trust, the second sentence of Section 4.02(c) of the Basic Agreement shall be superseded and replaced in its entirety with the following sentence: "Subject to the provisions of the Intercreditor Agreement: (i) in the event of redemption or purchase of Equipment Notes held in the Trust, such notice shall be mailed (or in the case of Global Certificates, sent electronically in accordance with DTC's applicable procedures) 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; and (ii) in the case of any other Special Payments, such notice of Special Payment shall be sent as soon as practicable after the Trustee has confirmed that it has received funds for such Special Payment and shall state the Special Distribution Date for such Special Payment, which shall occur 15 days after the date of such notice of Special Payment or (if such 15th day is not practicable) as soon as practicable thereafter."

(e) With respect to the Trust, clause (ii) of the third sentence of Section 4.02(c) of the Basic Agreement shall be amended by deleting in its entirety the parenthetical phrase "(taking into account any payment to be made by the Responsible Party pursuant to Section 2.02(b))."

Section 7.02 [Reserved].

Section 7.03 The Trustee. (a) Subject to Section 7.04 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, the Parent Guarantee or the Intercreditor Agreement 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 or the other parties thereto (other than the Trustee), except that the Trustee hereby represents and warrants that each of this Trust Supplement, the Basic Agreement, each Certificate and the Intercreditor Agreement has been executed and delivered by one of its officers who is duly authorized to execute and deliver such document on its behalf.

(b) The Trustee shall at all times be a bank or trust company, organized and doing business under the laws of the United States or any state thereof, a substantial part of the business of which consists of (i) receiving deposits and making loans or (ii) exercising fiduciary powers similar to those permitted to national banks by the Comptroller of the Currency, and which is subject to supervision and examination by state or federal authority having supervision over banking institutions.

Section 7.04 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, the Certificates 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, the Certificates 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, the Certificates 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, the Certificates 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, the Certificates 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 7.05 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 are attributable to the Trustee in its individual capacity and which are unrelated to the transactions contemplated by the Intercreditor Agreement.

ARTICLE VIII

ADDITIONAL AMENDMENT; SUPPLEMENTAL AGREEMENTS

Section 8.01 [Reserved]

Section 8.02 Supplemental Agreements Without Consent of Certificateholders. Without limitation of Section 9.01 of the Basic Agreement, (i) (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)), any Participation Agreement, (b) references in clauses (4), (5) and (7) of such Section 9.01 to "any Intercreditor Agreement, any Liquidity Facility or the Parent Guarantee" shall also be deemed to refer to "the Intercreditor Agreement, Liquidity Facility, any Participation Agreement or the Parent Guarantee", (c) references to "any Intercreditor Agreement, any Participation Agreement, any Indenture, any Liquidity Facility or the Parent Guarantee" and to "any Intercreditor Agreement, any Liquidity Facility or the Parent Guarantee" in clause (8) of such Section 9.01 shall also be deemed to refer to "the Intercreditor Agreement, any Indenture, the Liquidity Facility, any Participation Agreement or the Parent Guarantee", and (d) the reference to "this Basic Agreement or any Trust Supplement" in clause (13) of such Section 9.01 shall also be deemed to refer to "any Participation Agreement or the Parent Guarantee", (ii) 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 any Operative Agreement to provide for the formation of one or more Additional Trusts in existence at any one time, the issuance of one or more Classes of Additional Certificates from time to time, the purchase by any Additional Trust of applicable Additional Equipment Notes and other matters incidental thereto or as otherwise contemplated by Section 2.01(b) of the Basic Agreement, all as provided in Section 8.01(d) of the Intercreditor Agreement, (iii) 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 any Operative Agreement to provide for the formation of one or more Refinancing Trusts, the issuance of one or more Classes of Refinancing Certificates, the purchase by any Refinancing Trust of applicable Refinancing Equipment Notes and other matters incidental thereto or as otherwise contemplated by Section 2.01(b) of the Basic Agreement, all as provided in Section 8.01(c) of the Intercreditor Agreement, and (iv) 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 request of the Company at any time and from time to time, enter into one or more agreements supplemental to any Operative Agreement to provide for the substitution of any Aircraft pursuant to Section 7.04(f) of the related Indenture and other matters incidental thereto. In addition, the following provisions of Section 9.01 of the Basic Agreement shall be amended, with respect to the Trust, as follows: (A) Section 9.01(6) of the Basic Agreement shall be amended by inserting the phrase "(or to facilitate any listing of any Certificates on any exchange or quotation system) or any requirement of DTC or like depositary," after the phrase "any exchange or quotation system on which the Certificates of any series are listed" but before the phrase "or of any regulatory body"; (B) Section 9.01(7) of the Basic Agreement shall be amended by inserting the phrase "to establish or" after the phrase "to such extent as shall be necessary" but before the phrase "to continue"; and (C) Section 9.01(8) of the Basic Agreement shall be amended by replacing the phrase "and to add to or change" with the phrase ", or to evidence the substitution of a Liquidity Provider with a Replacement Liquidity Provider, to provide for a Replacement Liquidity Facility or to incorporate appropriate mechanics for multiple instruments for a Replacement Liquidity Facility for a single Trust, all as provided in any Intercreditor Agreement; or to add to or change".

Section 8.03 Supplemental Agreements with Consent of 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 Liquidity Facility or the Parent Guarantee or modifying in any manner the rights and obligations of the Certificateholders under the Liquidity Facility or the Parent Guarantee.

Section 8.04 Consent of Trustees for Amendment of Section 6.01. Notwithstanding any provision in Section 8.02 or Section 8.03 of this Trust Supplement to the contrary, no amendment or modification of Section 6.01 of this Trust Supplement shall be effective unless the trustee for each Class of Certificates affected by such amendment or modification shall have consented thereto.

Section 8.05 Amendment of Section 7.12(c) of the Basic Agreement. For purposes of this Agreement, references to the term "corporation" as used in Section 7.12(c) of the Agreement shall be deemed to include a bank or trust company.

ARTICLE IX

[RESERVED]

ARTICLE X

MISCELLANEOUS PROVISIONS

Section 10.01 Final Termination Date. The respective obligations and responsibilities of the Company and the Trustee created hereby and the Trust created hereby shall terminate upon the distribution to all Certificateholders and the Trustee of all amounts required to be distributed to them pursuant to this Agreement and the disposition of all property held as part of the Trust Property; provided, however, that in no event shall the Trust created hereby continue beyond provided, however, that in no event shall the Applicable Trust continue beyond one hundred ten (110) years following the date of the execution of this Trust Supplement.

Section 10.02 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. To the extent that any provisions of the Basic Agreement are superseded by any provisions of this Trust Supplement, any reference to such provisions of the Basic Agreement herein or in the Basic Agreement shall be deemed to be to such provisions of this Trust Supplement.

Section 10.03 Governing Law. THIS AGREEMENT HAS BEEN DELIVERED IN THE STATE OF NEW YORK AND THIS AGREEMENT AND THE CERTIFICATES SHALL 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 10.04 Counterparts. This Trust Supplement may be executed in any number of counterparts (and each of the parties shall not be required to execute the same counterpart). Each counterpart of this Trust Supplement including a signature page or pages executed by each of the parties hereto shall be an original counterpart of this Trust Supplement, but all of such counterparts together shall constitute one instrument.

Section 10.05 Intention of Parties. The parties hereto intend that the Trust be classified for United States federal income tax purposes as a grantor trust under Subpart E, Part I, Subchapter J, Chapter 1 of Subtitle A of the Code, and not as a trust or association taxable as a corporation or as a partnership. Each Certificateholder of, and each Person acquiring a beneficial interest in, a Certificate, by its acceptance of its Certificate or a beneficial interest therein, agrees to treat the Trust as a grantor trust for all United States federal, state and local income tax purposes. The Trustee shall not be authorized or empowered to do anything that would cause the Trust to fail to qualify as a grantor trust for such tax purposes (including as subject to this restriction, acquiring any Aircraft by bidding the Equipment Notes relating thereto or otherwise, or taking any action with respect to any such Aircraft once acquired). The Trustee shall apply for a United States federal taxpayer identification number with respect to the Trust.

Section 10.06 Submission to Jurisdiction. Each of the parties hereto, to the extent it may do so under applicable law, for purposes hereof and of all other Operative Agreements hereby (i) irrevocably submits itself to the non-exclusive jurisdiction of the courts of the State of New York sitting in the City of New York and to the non-exclusive jurisdiction of the United States District Court for the Southern District of New York, for the purposes of any suit, action or other proceeding arising out of this Agreement, the subject matter hereof or any of the transactions contemplated hereby brought by any party or parties hereto or thereto, or their successors or permitted assigns and (ii) waives, and agrees not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, 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 this Agreement or the subject matter hereof or any of the transactions contemplated hereby may not be enforced in or by such courts.

Section 10.07 Successor and Assigns. All covenants, agreements, representations and warranties in this Agreement by the Trustee and the Company shall bind and, to the extent permitted hereby, shall inure to the benefit of and be enforceable by their respective successors and assigns, whether so expressed or not. Any request, notice, direction, consent, waiver or other instrument or action by any Certificateholder shall bind the successors and assigns of such Certificateholder.

Section 10.08 Normal Commercial Relations. Anything contained in this Agreement to the contrary notwithstanding, the Trustee and any Certificateholder, or any bank or other affiliate of any such party, may conduct any banking or other financial transactions, and have banking and other commercial relationships, with the Company fully to the same extent as if this Agreement were not in effect, including without limitation the making of loans or other extensions of credit to the Company for any purpose whatsoever, whether related to any of the transactions contemplated hereby or otherwise.

Section 10.09 No Recourse against Others. No past, present or future director, officer, employee, agent, member, manager, trustee or stockholder, as such, of the Company, the Parent or any successor Person shall have any liability for any obligations of the Company, the Parent or any successor Person, either directly or through the Company, the Parent or any successor Person, under the Certificates, this Agreement or the Parent Guarantee or for any claim based on, in respect of or by reason of such obligations or their creation, whether by virtue of any rule of law, statute or constitutional provision of by the enforcement of any assessment or by any legal or equitable proceeding or otherwise. By accepting a Certificate, each Certificateholder agrees to the provisions of this Section 10.09 and waives and releases all such liability. Such waiver and release shall be part of the consideration for the issue of the Certificates.

Section 10.10 U.S.A. Patriot Act. The parties hereto acknowledge that in accordance with Section 326 of the U.S.A. Patriot Act, the Trustee, like all financial institutions, in order to help fight the funding of terrorism and money laundering, is required to obtain, verify and record information that identifies each person or legal entity that establishes a relationship or opens an account with the Trustee. Each party to this Trust Supplement agrees for itself that it will provide the Trustee with such information relating to such party as it may reasonably request in order for the Trustee to satisfy the requirements of the U.S.A. Patriot Act.

IN WITNESS WHEREOF, the parties have caused this Trust Supplement to be duly executed by their respective officers thereto duly authorized as of the date first written above.

FEDERAL EXPRESS CORPORATION

By: /s/ Herbert C. Nappier
Name: Herbert C. Nappier
Title: Treasurer

[*Signature Page to Trust Supplement No. 2020-1AA*]

Wilmington Trust Company, as Trustee

By: /s/ Adam R. Vogelsong
Name: Adam R. Vogelsong
Title: Vice President

[*Signature Page to Trust Supplement No. 2020-1AA*]

EXHIBIT A to
TRUST SUPPLEMENT NO. 2020-1AA

FORM OF CERTIFICATE

[UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE TRUSTEE 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 HEREON 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.][*]

BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT EITHER (1) NO ASSETS OF A PLAN OR ANY TRUST ESTABLISHED WITH RESPECT TO A PLAN HAVE BEEN USED TO PURCHASE OR HOLD THIS CERTIFICATE OR AN INTEREST HEREIN, OR (2) THE PURCHASE AND HOLDING OF THIS CERTIFICATE OR AN INTEREST HEREIN BY SUCH A PERSON ARE EXEMPT FROM THE PROHIBITED TRANSACTION RESTRICTIONS OF ERISA AND THE CODE OR PROVISIONS OF ANY SIMILAR LAW PURSUANT TO ONE OR MORE PROHIBITED TRANSACTION STATUTORY OR ADMINISTRATIVE EXEMPTIONS OR SIMILAR EXEMPTIONS UNDER SIMILAR LAW OR OTHERWISE WILL NOT CONSTITUTE OR RESULT IN A PROHIBITED TRANSACTION UNDER ERISA OR THE CODE OR A VIOLATION OF ANY SIMILAR LAW, AND (B) DIRECTS THE TRUSTEE TO INVEST IN THE ASSETS HELD IN THE TRUST PURSUANT TO THE TERMS AND CONDITIONS OF THE BASIC AGREEMENT, THIS TRUST SUPPLEMENT, THE INTERCREDITOR AGREEMENT, EACH PARTICIPATION AGREEMENT AND THE PARENT GUARANTEE. CERTAIN TERMS USED IN THIS PARAGRAPH SHALL HAVE THE MEANINGS SPECIFIED IN THE AGREEMENT.

[*] This legend to appear on Book-Entry Certificates to be deposited with The Depositary Trust Company.

[GLOBAL CERTIFICATE]†

FEDEX PASS THROUGH TRUST 2020-1AA
FEDEX PASS THROUGH CERTIFICATE, SERIES 2020-1AA

Final Expected Regular Distribution Date: February 20, 2034

evidencing a fractional undivided interest in the Trust,
the property of which includes or will include, among
other things, certain Equipment Notes each secured by
an Aircraft owned by Federal Express Corporation

Certificate No. _____	$_____ Fractional Undivided Interest representing ___% of the Trust per $1,000 face amount	CUSIP No. [ ] ISIN No. [ ]

THIS CERTIFIES THAT , for value received, is the registered owner of a $ (dollars) Fractional Undivided Interest (or such lesser amounts as shall be the aggregate outstanding face amount hereof as set forth in the records of the Trustee) in the FedEx Pass Through Trust, Series 2020-1AA (the "Trust") created by Wilmington Trust Company, as successor trustee (together with any successor in interest and any successor or other trustee appointed pursuant to the Trust Supplement referred to below, the "Trustee") under a Pass Through Trust Agreement, dated as of August 13, 2020 (the "Basic Agreement"), between the Trustee and Federal Express Corporation, a Delaware corporation (together with any successor in interest pursuant to Section 5.02 of the Basic Agreement, the "Company"), as supplemented by Trust Supplement No. 2020-1AA thereto dated as of August 13, 2020 (collectively, and as may be amended from time to time, 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 "FedEx Pass Through Certificates, Series 2020-1AA" (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 Certificateholder of this Certificate assents to and agrees to be bound by all of the provisions of the Agreement and the Intercreditor Agreement, including the subordination provisions of Section 9.09 of the Intercreditor Agreement. The Trust Property is expected to include certain Equipment Notes and includes all rights of the Trust and the Trustee, on behalf of the Trust, to receive any payments under the Intercreditor Agreement, the Liquidity Facility and the Parent Guarantee. Each issue of the Equipment Notes will be secured by, among other things, a security interest in the Aircraft owned by the Company.

† To be included on the face of each Global Certificate.

The Certificates represent Fractional Undivided Interests in the Trust and the Trust Property, and will 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 each February 20 and August 20 (each, a "Regular Distribution Date"), commencing on February 20, 2021, 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 Notes 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 Notes 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 applicable Special Distribution Date, an amount in respect of such Special Payments on the Equipment Notes, 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 Regular Distribution Date or Special Distribution Date is not a Business Day, distribution shall be made on the immediately following Business Day and no interest shall accrue during the intervening period. The Trustee shall mail (or in the case of Global Certificates, send electronically in accordance with DTC's applicable procedures) 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 the 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 distributions 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 (or in the case of Global Certificates, sent electronically in accordance with DTC's applicable procedures) 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, the Parent, the Trustee, the Subordination Agent, any Loan Trustee or any Affiliate of any 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 any payment or distribution to such Certificateholder pursuant to the terms of the Agreement and that it will not have any recourse to the Company, the Parent, the Trustee, the Loan Trustees or any Affiliate of any thereof except as otherwise expressly provided in the Agreement, in any Note Document or in the Intercreditor 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, proceeds 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, the Parent and the rights of the Certificateholders under the Agreement, at any time by the Company, the Parent 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 $2,000 (or such other denomination that is the lowest integral multiple of $1,000 that is, at the time of issuance, equal to at least 1,000 euros) Fractional Undivided Interest and 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.

The Company, the Parent, the Trustee, the Registrar and any Paying Agent shall deem and treat the Person in whose name this Certificate is registered as the owner hereof for all purposes, and none of the Company, the Parent, the Trustee, the Registrar or any such agent shall be affected by any notice to the contrary.

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

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 (a) represent and warrant to the Company, the Parent, the Loan Trustees and the Trustee that either: (i) no assets of a Plan or any trust established with respect to a Plan have been used to purchase or hold this Certificate or an interest herein or (ii) the purchase and holding of this Certificate or an interest herein by such Person are exempt from the prohibited transaction restrictions of ERISA and the Code or provisions of any Similar Law pursuant to one or more prohibited transaction statutory or administrative exemptions or similar exemptions under Similar Law or otherwise will not constitute or result in a prohibited transaction under ERISA or the Code or a violation of any Similar Law and (b) direct the Trustee to invest the assets held in the Trust pursuant to, and take all other actions contemplated by, the terms and conditions of the Basic Agreement, this Trust Supplement, the Intercreditor Agreement, each Participation Agreement and the Parent Guarantee.

THIS CERTIFICATE AND THE AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF NEW YORK, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE.

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.

FEDEX PASS THROUGH TRUST 2020-1AA

By: Wilmington Trust Company, as Trustee

By: _____
Title:

Dated:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

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

Wilmington Trust Company, as Trustee

By: _____
Authorized Officer

[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 Trustee with full power of substitution in the premises.

Date: _____

_____

NOTICE: The signature to this assignment 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: _____

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

EXHIBIT B to
TRUST SUPPLEMENT NO. 2020-1AA

DTC LETTER OF REPRESENTATIONS

EXHIBIT C to
TRUST SUPPLEMENT NO. 2020-1AA

FORM OF PARENT GUARANTEE

GUARANTEE

dated as of August [ ], 2020

from

FEDEX CORPORATION,

[__] Boeing [ ] Aircraft

Section 1.	Guarantee	1
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GUARANTEE

GUARANTEE, dated as of [__], 2020 (as amended, modified or supplemented from time to time, this "**Guarantee**"), from FEDEX CORPORATION., a Delaware corporation (together with its permitted successors and assigns, the "**Guarantor**"), to the parties listed in Schedule I hereto (collectively, together with their successors and permitted assigns, the "**Parties**", and, individually, a "**Party**").

WHEREAS, Federal Express Corporation., a Delaware corporation ("**Owner**"), a direct wholly-owned subsidiary of the Guarantor, has entered into each those certain Indenture and Security Agreements, dated as of [__], 2020, (collectively, the "**Indentures**"), among Owner and [__], as Loan Trustee, with respect to each aircraft described in Schedule II hereto (and any aircraft substituted therefor pursuant to the related Indenture and Security Agreement), in each case as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

WHEREAS, Owner has entered into each of those certain Participation Agreements dated as of [__], 2020 (collectively, "**Participation Agreements**"), among Owner, [__], as pass through trustee under each of the Pass Through Trust Agreements (the "**Pass Through Trustee**"), [__], as Subordination Agent (the "**Subordination Agent**"), [__], as Loan Trustee, and [__], in its individual capacity and as set forth therein;

WHEREAS, capitalized terms used but not defined herein shall have the meanings set forth in the Participation Agreements; and

WHEREAS, in order to finance the aircraft identified on Schedule II hereto (the "**Aircraft**"), Owner will issue the Equipment Notes under the Indentures;

NOW, THEREFORE, in order to induce the Pass Through Trustee to purchase the Equipment Notes and for other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto agree as follows:

Section 1. Guarantee.

(a) The Guarantor does hereby acknowledge that it is fully aware of the terms and conditions of the Indentures, the Participation Agreements, the Equipment Notes and the transactions and the other documents contemplated thereby, and does hereby irrevocably and fully and unconditionally guarantee, as primary obligor and not as surety merely, to the Parties, as their respective interests may appear, the payment by Owner of all payment obligations when due under the Indentures, the Participation Agreements the Equipment Notes (such obligations of Owner guaranteed hereby being hereafter referred to, individually, as a "**Guaranteed Obligation**" and, collectively, as the "**Guaranteed Obligations**") in accordance with the terms of the Operative Documents. The Guarantor does hereby agree that in the event that Owner fails to pay any Guaranteed Obligation when due for any reason (including, without limitation, the liquidation, dissolution, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition or readjustment of, or other similar proceedings affecting the status, existence, assets or obligations of Owner, or the disaffirmance with respect to Owner of any Indenture[, Lease] or any other Operative Document to which Owner is a party in any such proceeding) after the date on which such Guaranteed Obligation became due and payable and the applicable grace period has expired, the Guarantor shall pay or cause to be paid forthwith, upon the receipt of notice from the Loan Trustee (such notice to be sent to Owner (to the extent the Loan Trustee is not stayed or prevented from doing so by operation of law) and the Guarantor) stating that such Guaranteed Obligation was not paid when due after the applicable grace period has expired and stating the amount of such Guaranteed Obligation.

(b) The obligations of the Guarantor hereunder shall not be, to the fullest extent permitted by law, affected by the genuineness, validity, regularity or enforceability (or lack thereof) of any of Owner's obligations under any Indenture[, Lease] or any other Operative Document to which Owner is a party, any amendment, waiver or other modification of any Indenture[, Lease] or such other Operative Document (except that any such amendment or other modification shall be given effect in determining the obligations of the Guarantor hereunder), or by any substitution, release or exchange of collateral for or other guaranty of any of the Guaranteed Obligations (except to the extent that such substitution, release or exchange is not undertaken in accordance with the terms of the Operative Documents) without the consent of the Guarantor, or by any priority or preference to which any other obligations of Owner may be entitled over Owner's obligations under any Indenture[, Lease] and the other Operative Documents to which Owner is a party, or by any other circumstance that might otherwise constitute a legal or equitable defense to or discharge of the obligations of a surety or guarantor including, without limitation, any defense arising out of any laws of the United States of America or of any State thereof which would excuse, discharge, exempt, modify or delay the due or punctual payment and performance of the obligations of the Guarantor hereunder. Without limiting the generality of the foregoing, it is agreed that the occurrence of any one or more of the following shall not, to the fullest extent permitted by law, affect the liability of the Guarantor hereunder: (a) the extension of the time for or waiver of, at any time or from time to time, without notice to the Guarantor, Owner's performance of or compliance with any of its obligations under the Operative Documents (except that such extension or waiver shall be given effect in determining the obligations of the Guarantor hereunder), (b) any assignment, transfer, lease or other arrangement by which Owner transfers possession or loses control of the use of any Aircraft, (c) any defect in the title, condition, design, operation or fitness for use of, or damage to or loss or destruction of, any Aircraft, whether or not due to the fault of Owner, (d) any merger or consolidation of Owner or the Guarantor into or with any other Person, or any sale, transfer, lease or disposal of any of its assets, (e) any issuance of Additional Series Equipment Notes or (f) any change in the ownership of any shares of capital stock of Owner.

(c) This Guarantee is an absolute, present and continuing guaranty of payment and performance and not of collection and is in no way conditional or contingent upon any attempt to collect from Owner any unpaid amounts due. The Guarantor specifically agrees, to the fullest extent permitted by law, that it shall not be necessary or required, and that the Guarantor shall not be entitled to require, that any Party (i) file suit or proceed to obtain or assert a claim for personal judgment against Owner for the Guaranteed Obligations, or (ii) make any effort at collection of the Guaranteed Obligations from Owner, or (iii) foreclose against or seek to realize upon any security now or hereafter existing for the Guaranteed Obligations, including the Collateral (as defined in the Indentures), or (iv) file suit or proceed to obtain or assert a claim for personal judgment against any other Person liable for the Guaranteed Obligations, or make any effort at collection of the Guaranteed Obligations from any such other Person, or exercise or assert any other right or remedy to which any Party is or may be entitled in connection with the Guaranteed Obligations or any security or other guaranty therefor, or (v) assert or file any claim against the assets of Owner or any other guarantor or other Person liable for the Guaranteed Obligations, or any part thereof, before or as a condition of enforcing the liability of the Guarantor under this Guarantee or requiring payment of said Guaranteed Obligations by the Guarantor hereunder, or at any time thereafter.

Section 2. No Implied Third Party Beneficiaries. This Guarantee shall not be deemed to create any right in any Person except a Party and shall not be construed in any respect to be a contract in whole or in part for the benefit of any other Person.

Section 3. Waiver; No Set-off; Reinstatement; Subrogation. The Guarantor waives notice of the acceptance of this Guarantee and of the performance or nonperformance by Owner, demand for payment from Owner or any other Person, notice of nonpayment or failure to perform on the part of Owner, diligence, presentment, protest, dishonor and, to the fullest extent permitted by law, all other demands or notices whatsoever, other than the request for payment hereunder and notice provided for in Section 1 hereof. The obligations of the Guarantor shall be absolute and unconditional and shall remain in full force and effect until satisfaction of all Guaranteed Obligations and, without limiting the generality of the foregoing, to the extent not prohibited by applicable law, shall not be released, discharged or otherwise affected by the existence of any claims, set-off, defense or other rights that the Guarantor may have at any time and from time to time against any Party, whether in connection herewith or any unrelated transactions. This Guarantee shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any Guaranteed Obligation is rescinded or must otherwise be returned by any Party upon the insolvency, bankruptcy, reorganization, arrangement, readjustment of debt, dissolution, liquidation or similar proceeding with respect to Owner or otherwise, all as though such payment had not been made. The Guarantor, by virtue of any payment hereunder to a Party, shall be subrogated to such Party's claim against Owner or any other Person relating thereto; provided, however, that the Guarantor shall not be entitled to receive payment from Owner in respect of any claim against Owner arising from a payment by the Guarantor in the event of any insolvency, bankruptcy, liquidation, reorganization or other similar proceedings relating to Owner, or in the event of any proceedings for voluntary liquidation, dissolution or other winding-up of Owner, whether or not involving insolvency or bankruptcy proceedings, in which case the Guaranteed Obligations shall be paid and performed in full before any payment in respect of a claim by the Guarantor shall be made by or on behalf of Owner.

Section 4. Amendments, Etc. No amendment of or supplement to this Guarantee, or waiver or modification of, or consent under, the terms hereof, shall be effective unless evidenced by an instrument in writing signed by the Guarantor and each Party against whom such amendment, supplement, waiver, modification or consent is to be enforced.

Section 5. Payments. All payments by the Guarantor hereunder in respect of any Obligation shall be made in Dollars and otherwise as provided in the relevant Indenture, the relevant Participation Agreement or the relevant Equipment Note in which such Guaranteed Obligation is contained.

Section 6. Integration; Counterparts; Successors and Assigns; Headings. This Guarantee (a) constitutes the entire agreement, and supersedes all prior agreements and understandings, both written and oral, among the Guarantor and the Parties, with respect to the subject matter hereof, (b) may be executed in several counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument, and (c) shall be binding upon the successors and assigns of the Guarantor and shall inure to the benefit of, and shall be enforceable by, each of the Parties to the fullest extent permitted by applicable laws. The headings in this Guarantee are for purposes of reference only, and shall not limit or otherwise affect the meanings hereof.

Section 7. Notices. All requests, notices or other communications hereunder shall be in writing, addressed as follows:

If to the Guarantor:

FedEx Corporation
942 South Shady Grove Road
Memphis, TN 38120
Attention: Treasurer

If to a Party:
to the address or telecopy number set forth in the Participation Agreements

All requests, notices or other communications shall be given in the manner, and shall be effective at the times and under the terms, set forth in Section 7.01 of the Participation Agreements.

Section 8. No Waivers. No failure on the part of any Party to exercise, no delay in exercising, and no course of dealing with respect to, any right or remedy hereunder will operate as a waiver thereof; nor will any single or partial exercise of any right or remedy hereunder preclude any other or further exercise of such right or remedy or the exercise of any other right or remedy.

Section 9. Severability. To the fullest extent permitted by applicable law, any provision of this Guarantee that 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 or any provision in any other Operative Document, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 10. GOVERNING LAW. THIS GUARANTEE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK. THIS GUARANTEE IS BEING DELIVERED IN NEW YORK, NEW YORK.

[*Signature Pages Follow*]

IN WITNESS WHEREOF, the undersigned has caused this Guarantee to be duly executed as of the day and year first written above.

FEDEX CORPORATION

By: _____
Name:
Title:

[*Signature Page to Guarantee*]

SCHEDULE I
TO GUARANTEE

PARTIES

[__], as Pass Through Trustee

[__], as Subordination Agent

[__], as Loan Trustee

SCHEDULE II
TO GUARANTEE

AIRCRAFT

U.S. Registration Mark	MSN #	Aircraft Type	Engine Model Type
N[__]	[__]	[__]	[__]
N[__]	[__]	[__]	[__]

SCHEDULE I to
TRUST SUPPLEMENT NO. 2020-1AA
EQUIPMENT NOTES,
PRINCIPAL AMOUNTS, MATURITIES AND AIRCRAFT

Initial Principal Amount of Equipment Notes	Maturity	Aircraft	Aircraft Registration Number
$ 32,875,000	August 20, 2035	Boeing 767-300F	N126FE
33,702,000	August 20, 2035	Boeing 767-300F	N130FE
34,397,000	August 20, 2035	Boeing 767-300F	N135FE
34,567,000	August 20, 2035	Boeing 767-300F	N138FE
35,424,000	August 20, 2035	Boeing 767-300F	N144FE
36,878,000	August 20, 2035	Boeing 767-300F	N151FE
36,998,000	August 20, 2035	Boeing 767-300F	N153FE
37,487,000	August 20, 2035	Boeing 767-300F	N155FE
39,040,000	August 20, 2035	Boeing 767-300F	N168FE
39,614,000	August 20, 2035	Boeing 767-300F	N172FE
41,432,000	August 20, 2035	Boeing 767-300F	N180FE
42,259,000	August 20, 2035	Boeing 767-300F	N183FE
42,380,000	August 20, 2035	Boeing 767-300F	N184FE
70,607,000	August 20, 2035	Boeing 777-200F	N869FD
76,874,000	August 20, 2035	Boeing 777-200F	N897FD
79,830,000	August 20, 2035	Boeing 777-200F	N877FD
80,702,000	August 20, 2035	Boeing 777-200F	N891FD
84,522,000	August 20, 2035	Boeing 777-200F	N876FD
90,412,000	August 20, 2035	Boeing 777-200F	N845FD
$ 970,000,000			

SCHEDULE II to
TRUST SUPPLEMENT NO. 2020-1AA

NOTE DOCUMENTS

Participation Agreement
Indenture
Parent Guarantee
Manufacturer's Consent (as defined in any applicable Indenture)

For each of the aircraft listed in Schedule I.

Exhibit 4.3

Execution Version

GUARANTEE

dated as of August 13, 2020

from

FEDEX CORPORATION,

Thirteen Boeing 767-300F Aircraft

and

Six Boeing 777F Aircraft

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GUARANTEE

GUARANTEE, dated as of August 13, 2020 (as amended, modified or supplemented from time to time, this "**Guarantee**"), from FEDEX CORPORATION., a Delaware corporation (together with its permitted successors and assigns, the "**Guarantor**"), to the parties listed in Schedule I hereto (collectively, together with their successors and permitted assigns, the "**Parties**", and, individually, a "**Party**").

WHEREAS, Federal Express Corporation., a Delaware corporation ("**Owner**"), a direct wholly-owned subsidiary of the Guarantor, has entered into each those certain Indenture and Security Agreements, dated as of August 13, 2020, (collectively, the "**Indentures**"), among Owner and Wilmington Trust Company, as Loan Trustee, with respect to each aircraft described in Schedule II hereto (and any aircraft substituted therefor pursuant to the related Indenture and Security Agreement), in each case as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

WHEREAS, Owner has entered into each of those certain Participation Agreements dated as of August 13, 2020 (collectively, "**Participation Agreements**"), among Owner, Wilmington Trust Company, as pass through trustee under the Pass Through Trust Agreement (the "**Pass Through Trustee**"), Wilmington Trust Company, as Subordination Agent (the "**Subordination Agent**"), Wilmington Trust Company, as Loan Trustee, and Wilmington Trust Company, in its individual capacity and as set forth therein;

WHEREAS, capitalized terms used but not defined herein shall have the meanings set forth in the Participation Agreements; and

WHEREAS, in order to finance the aircraft identified on Schedule II hereto (the "**Aircraft**"), Owner will issue the Equipment Notes under the Indentures;

NOW, THEREFORE, in order to induce the Pass Through Trustee to purchase the Equipment Notes and for other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto agree as follows:

Section 1. Guarantee.

(a) The Guarantor does hereby acknowledge that it is fully aware of the terms and conditions of the Indentures, the Participation Agreements, the Equipment Notes and the transactions and the other documents contemplated thereby, and does hereby irrevocably and fully and unconditionally guarantee, as primary obligor and not as surety merely, to the Parties, as their respective interests may appear, the payment by Owner of all payment obligations when due under the Indentures, the Participation Agreements the Equipment Notes (such obligations of Owner guaranteed hereby being hereafter referred to, individually, as a "**Guaranteed Obligation**" and, collectively, as the "**Guaranteed Obligations**") in accordance with the terms of the Operative Documents. The Guarantor does hereby agree that in the event that Owner fails to pay any Guaranteed Obligation when due for any reason (including, without limitation, the liquidation, dissolution, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition or readjustment of, or other similar proceedings affecting the status, existence, assets or obligations of Owner, or the disaffirmance with respect to Owner of any Indenture or any other Operative Document to which Owner is a party in any such proceeding) after the date on which such Guaranteed Obligation became due and payable and the applicable grace period has expired, the Guarantor shall pay or cause to be paid forthwith, upon the receipt of notice from the Loan Trustee (such notice to be sent to Owner (to the extent the Loan Trustee is not stayed or prevented from doing so by operation of law) and the Guarantor) stating that such Guaranteed Obligation was not paid when due after the applicable grace period has expired and stating the amount of such Guaranteed Obligation.

(b) The obligations of the Guarantor hereunder shall not be, to the fullest extent permitted by law, affected by the genuineness, validity, regularity or enforceability (or lack thereof) of any of Owner's obligations under any Indenture or any other Operative Document to which Owner is a party, any amendment, waiver or other modification of any Indenture or such other Operative Document (except that any such amendment or other modification shall be given effect in determining the obligations of the Guarantor hereunder), or by any substitution, release or exchange of collateral for or other guaranty of any of the Guaranteed Obligations (except to the extent that such substitution, release or exchange is not undertaken in accordance with the terms of the Operative Documents) without the consent of the Guarantor, or by any priority or preference to which any other obligations of Owner may be entitled over Owner's obligations under any Indenture and the other Operative Documents to which Owner is a party, or by any other circumstance that might otherwise constitute a legal or equitable defense to or discharge of the obligations of a surety or guarantor including, without limitation, any defense arising out of any laws of the United States of America or of any State thereof which would excuse, discharge, exempt, modify or delay the due or punctual payment and performance of the obligations of the Guarantor hereunder. Without limiting the generality of the foregoing, it is agreed that the occurrence of any one or more of the following shall not, to the fullest extent permitted by law, affect the liability of the Guarantor hereunder: (a) the extension of the time for or waiver of, at any time or from time to time, without notice to the Guarantor, Owner's performance of or compliance with any of its obligations under the Operative Documents (except that such extension or waiver shall be given effect in determining the obligations of the Guarantor hereunder), (b) any assignment, transfer, lease or other arrangement by which Owner transfers possession or loses control of the use of any Aircraft, (c) any defect in the title, condition, design, operation or fitness for use of, or damage to or loss or destruction of, any Aircraft, whether or not due to the fault of Owner, (d) any merger or consolidation of Owner or the Guarantor into or with any other Person, or any sale, transfer, lease or disposal of any of its assets, (e) any issuance of Additional Series Equipment Notes or (f) any change in the ownership of any shares of capital stock of Owner.

(c) This Guarantee is an absolute, present and continuing guaranty of payment and performance and not of collection and is in no way conditional or contingent upon any attempt to collect from Owner any unpaid amounts due. The Guarantor specifically agrees, to the fullest extent permitted by law, that it shall not be necessary or required, and that the Guarantor shall not be entitled to require, that any Party (i) file suit or proceed to obtain or assert a claim for personal judgment against Owner for the Guaranteed Obligations, or (ii) make any effort at collection of the Guaranteed Obligations from Owner, or (iii) foreclose against or seek to realize upon any security now or hereafter existing for the Guaranteed Obligations, including the Collateral (as defined in the Indentures), or (iv) file suit or proceed to obtain or assert a claim for personal judgment against any other Person liable for the Guaranteed Obligations, or make any effort at collection of the Guaranteed Obligations from any such other Person, or exercise or assert any other right or remedy to which any Party is or may be entitled in connection with the Guaranteed Obligations or any security or other guaranty therefor, or (v) assert or file any claim against the assets of Owner or any other guarantor or other Person liable for the Guaranteed Obligations, or any part thereof, before or as a condition of enforcing the liability of the Guarantor under this Guarantee or requiring payment of said Guaranteed Obligations by the Guarantor hereunder, or at any time thereafter.

Section 2. No Implied Third Party Beneficiaries. This Guarantee shall not be deemed to create any right in any Person except a Party and shall not be construed in any respect to be a contract in whole or in part for the benefit of any other Person.

Section 3. Waiver; No Set-off; Reinstatement; Subrogation. The Guarantor waives notice of the acceptance of this Guarantee and of the performance or nonperformance by Owner, demand for payment from Owner or any other Person, notice of nonpayment or failure to perform on the part of Owner, diligence, presentment, protest, dishonor and, to the fullest extent permitted by law, all other demands or notices whatsoever, other than the request for payment hereunder and notice provided for in Section 1 hereof. The obligations of the Guarantor shall be absolute and unconditional and shall remain in full force and effect until satisfaction of all Guaranteed Obligations and, without limiting the generality of the foregoing, to the extent not prohibited by applicable law, shall not be released, discharged or otherwise affected by the existence of any claims, set-off, defense or other rights that the Guarantor may have at any time and from time to time against any Party, whether in connection herewith or any unrelated transactions. This Guarantee shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any Guaranteed Obligation is rescinded or must otherwise be returned by any Party upon the insolvency, bankruptcy, reorganization, arrangement, readjustment of debt, dissolution, liquidation or similar proceeding with respect to Owner or otherwise, all as though such payment had not been made. The Guarantor, by virtue of any payment hereunder to a Party, shall be subrogated to such Party's claim against Owner or any other Person relating thereto; provided, however, that the Guarantor shall not be entitled to receive payment from Owner in respect of any claim against Owner arising from a payment by the Guarantor in the event of any insolvency, bankruptcy, liquidation, reorganization or other similar proceedings relating to Owner, or in the event of any proceedings for voluntary liquidation, dissolution or other winding-up of Owner, whether or not involving insolvency or bankruptcy proceedings, in which case the Guaranteed Obligations shall be paid and performed in full before any payment in respect of a claim by the Guarantor shall be made by or on behalf of Owner.

Section 4. Amendments, Etc. No amendment of or supplement to this Guarantee, or waiver or modification of, or consent under, the terms hereof, shall be effective unless evidenced by an instrument in writing signed by the Guarantor and each Party against whom such amendment, supplement, waiver, modification or consent is to be enforced.

Section 5. Payments. All payments by the Guarantor hereunder in respect of any Obligation shall be made in Dollars and otherwise as provided in the relevant Indenture, the relevant Participation Agreement or the relevant Equipment Note in which such Guaranteed Obligation is contained.

Section 6. Integration; Counterparts; Successors and Assigns; Headings. This Guarantee (a) constitutes the entire agreement, and supersedes all prior agreements and understandings, both written and oral, among the Guarantor and the Parties, with respect to the subject matter hereof, (b) may be executed in several counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument, and (c) shall be binding upon the successors and assigns of the Guarantor and shall inure to the benefit of, and shall be enforceable by, each of the Parties to the fullest extent permitted by applicable laws. The headings in this Guarantee are for purposes of reference only, and shall not limit or otherwise affect the meanings hereof.

Section 7. Notices. All requests, notices or other communications hereunder shall be in writing, addressed as follows:

If to the Guarantor:
FedEx Corporation
942 South Shady Grove Road
Memphis, TN 38120

Attention: Treasurer

If to a Party:
to the address or telecopy number set forth in the Participation Agreements

All requests, notices or other communications shall be given in the manner, and shall be effective at the times and under the terms, set forth in Section 7.01 of the Participation Agreements.

Section 8. No Waivers. No failure on the part of any Party to exercise, no delay in exercising, and no course of dealing with respect to, any right or remedy hereunder will operate as a waiver thereof; nor will any single or partial exercise of any right or remedy hereunder preclude any other or further exercise of such right or remedy or the exercise of any other right or remedy.

Section 9. Severability. To the fullest extent permitted by applicable law, any provision of this Guarantee that 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 or any provision in any other Operative Document, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 10. GOVERNING LAW. THIS GUARANTEE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK. THIS GUARANTEE IS BEING DELIVERED IN NEW YORK, NEW YORK.

[*Signature Pages Follow*]

IN WITNESS WHEREOF, the undersigned has caused this Guarantee to be duly executed as of the day and year first written above.

FEDEX CORPORATION

By: /s/ Herbert C. Nappier
Name: Herbert C. Nappier
Title: Executive Vice President,
Treasurer, Tax & Corporate Development

[Signature Page to Guarantee]

SCHEDULE I

TO GUARANTEE

PARTIES

Wilmington Trust Company, as Pass Through Trustee

Wilmington Trust Company, as Subordination Agent

Wilmington Trust Company, as Loan Trustee

SCHEDULE II

TO GUARANTEE

AIRCRAFT

U.S. Registration Mark	MSN #	Aircraft Type	Engine Model Type
N126FE	42718	767-300F	CF6-80C2B6F
N130FE	42720	767-300F	CF6-80C2B6F
N135FE	42722	767-300F	CF6-80C2B6F
N138FE	42723	767-300F	CF6-80C2B6F
N144FE	42726	767-300F	CF6-80C2B6F
N151FE	43630	767-300F	CF6-80C2B6F
N153FE	63095	767-300F	CF6-80C2B6F
N155FE	43631	767-300F	CF6-80C2B6F
N168FE	63100	767-300F	CF6-80C2B6F
N172FE	63103	767-300F	CF6-80C2B6F
N180FE	63111	767-300F	CF6-80C2B6F
N183FE	63114	767-300F	CF6-80C2B6F
N184FE	63115	767-300F	CF6-80C2B6F
N869FD	40675	777F	GE90-110B1
N897FD	42705	777F	GE90-110B1
N877FD	40683	777F	GE90-110B1
N891FD	41440	777F	GE90-110B1
N876FD	40682	777F	GE90-110B1
N845FD	66255	777F	GE90-110B1

Exhibit 4.5

Execution Version

INTERCREDITOR AGREEMENT

(2020-1)

Dated as of August 13, 2020

among

WILMINGTON TRUST COMPANY
as Trustee of the
FedEx Pass Through Trust 2020-1AA

BNP PARIBAS, acting through its New York branch
as Class AA Liquidity Provider

and

WILMINGTON TRUST COMPANY
as Subordination Agent

Intercreditor Agreement (2020-1)

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ANNEXES

Annex A – Aircraft

INTERCREDITOR AGREEMENT

This INTERCREDITOR AGREEMENT, dated as of August 13, 2020, is made by and among WILMINGTON TRUST COMPANY ("Trustee"), not in its individual capacity but solely as trustee of each Trust (such term and other capitalized terms used herein without definition being defined as provided in Article I), BNP PARIBAS, acting through its New York branch ("BNPP"), as Class AA Liquidity Provider, and WILMINGTON TRUST COMPANY ("WTC"), 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 VII, the "Subordination Agent").

WHEREAS, pursuant to each Indenture with respect to an Aircraft, FedEx will issue on a recourse basis a series of Equipment Notes secured by, among other things, such Aircraft and may issue one or more series of Additional Equipment Notes and one or more series of Refinancing Equipment Notes;

WHEREAS, pursuant to each Participation Agreement, each Trust will acquire Equipment Notes having an interest rate identical to the interest rate applicable to the Certificates issued by such Trust;

WHEREAS, pursuant to the Trust Agreement, the Trust created thereby proposes to issue a single Class of Certificates 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 Underwriters propose to purchase the Certificates;

WHEREAS, the Class AA Liquidity Provider proposes to enter into a revolving credit agreement with the Subordination Agent, as agent and trustee for the Trustee of the Class AA Trust, for the benefit of the Certificateholders of such Trust; and

WHEREAS, it is a condition precedent to the obligations of the Underwriters under the Underwriting Agreement that the Subordination Agent, the Class AA Trustee and the Class AA Liquidity Provider agree to the terms of subordination set forth in this Agreement in respect of the Certificates, and the Subordination Agent, the Class AA Trustee and the Class AA Liquidity 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 1.01 Definitions. (a) The definitions stated herein apply equally to the singular and the plural forms of the terms defined.

(b) All references in this Agreement to designated "Articles", "Sections" and other subdivisions are to the designated Articles, Sections and other subdivisions of this Agreement.

(c) 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.

(d) Unless the context otherwise requires, whenever the words "including", "include" or "includes" are used herein, it shall be deemed to be followed by the phrase "without limitation".

(e) All references in this Agreement to a Person shall include successors and permitted assigns of such Person.

(f) For purposes of this Agreement, unless the context otherwise requires, the following capitalized terms shall have the following meanings:

"***60-Day Period***" means the 60-day period specified in Section 1110(a)(2)(A) of the Bankruptcy Code.

"***Acceleration***" means, with respect to the amounts payable in respect of the Equipment Notes issued under any Indenture, such amounts becoming immediately due and payable by declaration or otherwise. "Accelerate", "Accelerated" and "Accelerating" have meanings correlative to the foregoing.

"***Actual Disposition Event***" means, in respect of any Equipment Note: (i) the sale or disposition by the applicable Loan Trustee of the Aircraft securing such Equipment Note for cash, (ii) the occurrence of the mandatory redemption date for such Equipment Note following an Event of Loss (as defined in such Indenture) with respect to such Aircraft or (iii) the sale by the Subordination Agent of such Equipment Note for cash.

"***Additional Certificateholder***" has the meaning specified in Section 8.01(d).

"***Additional Certificates***" has the meaning specified in Section 8.01(d).

"***Additional Equipment Notes***" has the meaning specified in Section 8.01(d).

"***Additional Trust***" has the meaning specified in Section 8.01(d).

"***Additional Trust Agreement***" has the meaning specified in Section 8.01(d).

"***Additional Trustee***" has the meaning specified in Section 8.01(d).

"***Adjusted Interest***" means, with respect to any Class of Certificates, as of any Current Distribution Date: (I) any interest described in clause (II) of this definition accrued prior to the immediately preceding Distribution Date which remains unpaid and (II) the sum of (A) interest determined at the Stated Interest Rate for the applicable Class for the period commencing on, and including, the immediately preceding Distribution Date (or, if the Current Distribution Date is the first Distribution Date, the Closing Date) and ending on, but excluding, the Current Distribution Date, on the Eligible Pool Balance of the applicable Class on such Current Distribution Date and (B) the sum of interest for each Equipment Note of the related series with respect to which, or with respect to the Aircraft with respect to which such Equipment Note was issued, a disposition, distribution, sale or Deemed Disposition Event has occurred since the immediately preceding Distribution Date (but only if no such event has previously occurred with respect to such Equipment Note), determined at the Stated Interest Rate for the Certificates of the applicable Class for each day during the period commencing on, and including, the immediately preceding Distribution Date (or, if the Current Distribution Date is the first Distribution Date, the Closing Date) and ending on, but excluding, the date of the earliest of such disposition, distribution, sale or Deemed Disposition Event with respect to such Equipment Note or such Aircraft, as the case may be, on the principal amount of such Equipment Note calculated pursuant to clause (B)(i), (ii), (iii) or (iv), as applicable, of the definition of Eligible Pool Balance.

"***Administration Expenses***" has the meaning specified in clause "first" of Section 3.02.

"***Advance***" means, with respect to any Liquidity Facility, any Advance as defined in such Liquidity Facility.

"***Affiliate***" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by or under direct or indirect common control with such Person. For the purposes of this definition, "control", when used with respect to any specified Person, 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.

"***Agreement***" means this Intercreditor Agreement, as it may be amended, supplemented or otherwise modified from time to time.

"***Aircraft***" means, with respect to each Indenture, the "Aircraft" referred to therein.

"***Appraisal***" has the meaning specified in Section 4.01(a)(iv).

"***Appraised Current Market Value***" of any Aircraft means the lower of the average and the median of the three most recent Post-Default Appraisals of such Aircraft.

"***Appraisers***" means Aircraft Information Services, Inc., Avitas, Inc. and Morten Beyer & Agnew, Inc. or, so long as the Person entitled or required hereunder to select such Appraiser acts reasonably, any other nationally recognized appraiser reasonably satisfactory to the Controlling Party.

"***Available Amount***" means, with respect to any Liquidity Facility on any drawing date, subject to the proviso contained in the first sentence of Section 3.05(g), an amount equal to (a) the Stated Amount of such Liquidity Facility at such time, less (b) the aggregate amount of each Interest Drawing honored by the Liquidity Provider under such Liquidity Facility on or prior to such date that has not been reimbursed or reinstated as of such date; provided that, following a Downgrade Drawing (subject to any reinstatement of the obligations of such Liquidity Provider pursuant to Section 2.06(d) of such Liquidity Facility), a Non-Extension Drawing, a Special Termination Advance or a Final Drawing under such Liquidity Facility, the Available Amount of such Liquidity Facility shall be zero.

"***Bankruptcy Code***" means the United States Bankruptcy Code, 11 United States Code §§101 et seq., as amended, or any successor statutes thereto.

"***Basic Agreement***" means that certain Pass Through Trust Agreement, dated as of August August 13, 2020, between FedEx and Wilmington Trust Company, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms, but does not include any Trust Supplement.

"***Business Day***" means, with respect to the Certificates of any Class, any day other than a Saturday, or a Sunday or a day on which commercial banks are required or authorized to close in New York, New York, Wilmington, Delaware, or, so long as any Certificate is outstanding, the city and state in which any Trustee, the Subordination Agent or any related Loan Trustee maintains its Corporate Trust Office or receives and disburses funds, and that, solely with respect to the making and repayment of draws under any Liquidity Facility, also is a "Business Day" as defined in such Liquidity Facility.

"***Cash Collateral Account***" means the Class AA Cash Collateral Account or any other cash collateral account with respect to any other Class.

"***Certificate***" means a Class AA Certificate.

"***Certificate Buy-Out Event***" means that a FedEx Bankruptcy Event has occurred and is continuing and either of the following events has occurred: (A) (i) the 60-Day Period has expired, and (ii) FedEx has not entered into one or more agreements under Section 1110(a)(2)(A) of the Bankruptcy Code to perform all of its obligations under all of the Indentures and cured defaults under all of the Indentures in accordance with Section 1110(a)(2)(B) of the Bankruptcy Code or, if it has entered into such agreements, has at any time thereafter failed to cure any default under any of the Indentures in accordance with Section 1110(a)(2)(B) of the Bankruptcy Code; or (B) prior to the expiry of the 60-Day Period, FedEx shall have abandoned any Aircraft.

"***Certificateholder***" means, with respect to any Class of Certificates, the Person in whose name a Certificate is registered in the Register for the Certificates of such Class.

"***Citizen of the United States***" has the meaning specified for such term in Section 40102(a)(15) of Title 49 of the United States Code or any similar legislation of the United States enacted in substitution or replacement therefor.

"***Class***" means a single class of Certificates issued by a Trust pursuant to a Trust Agreement.

"***Class AA Cash Collateral Account***" means, in respect of the Class AA Liquidity Facility, an Eligible Deposit Account in the name of the Subordination Agent maintained at an Eligible Institution, which shall be the Subordination Agent if it so qualifies, into which amounts shall be deposited as referred to in Section 3.05(f).

"***Class AA Certificateholder***" means, at any time, any Certificateholder of one or more Class AA Certificates.

"***Class AA Certificates***" means the certificates issued by the Class AA Trust, substantially in the form of Exhibit A to the Class AA Trust Agreement, and authenticated by the Class AA Trustee, representing Fractional Undivided Interests in the Class AA Trust, and any certificates issued in exchange therefor or replacement thereof pursuant to the terms of the Class AA Trust Agreement.

"***Class AA Liquidity Expenses***" means all Class AA Liquidity Obligations other than (i) the principal amount of any Drawings under the Class AA Liquidity Facility and (ii) any interest accrued on any Class AA Liquidity Obligations.

"***Class AA Liquidity Facility***" means, initially, the Revolving Credit Agreement (2020-1AA), dated as of the date hereof, between the Subordination Agent, as agent and trustee for the Class AA Trustee, and BNPP and, from and after the replacement of such agreement pursuant hereto, 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; provided that, for purposes of any obligation of FedEx, no amendment, modification or supplement to, or substitution or replacement of, any Class AA Liquidity Facility shall be effective unless consented to by FedEx.

"***Class AA Liquidity Obligations***" means all principal, interest, fees and other amounts owing to the Class AA Liquidity Provider under the Class AA Liquidity Facility, Section 4.02 of the Participation Agreements or the applicable Fee Letter.

"***Class AA Liquidity Provider***" means BNPP, together with any Replacement Liquidity Provider that has issued a Replacement Liquidity Facility to replace the Class AA Liquidity Facility pursuant to Section 3.05(c) or 3.05(e).

"***Class AA Trust***" means the FedEx Pass Through Trust 2020-1AA created and administered pursuant to the Class AA Trust Agreement.

"***Class AA Trust Agreement***" means the Basic Agreement, as supplemented by Trust Supplement No. 2020-1AA thereto, dated as of the date hereof, governing the creation and administration of the FedEx Pass Through Trust 2020-1AA and the issuance of the Class AA Certificates, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"***Class AA Trustee***" means Wilmington Trust Company, not in its individual capacity except as expressly set forth in the Class AA Trust Agreement, but solely as trustee under the Class AA Trust Agreement, together with any successor trustee appointed pursuant thereto.

"***Closing Date***" means August 13, 2020.

"***Code***" means the Internal Revenue Code of 1986, as amended from time to time, and Treasury Regulations promulgated thereunder.

"***Collateral***" means, with respect to any Indenture, the "Collateral" referred to therein.

"***Collection Account***" means the Eligible Deposit Account established by the Subordination Agent pursuant to Section 2.02(a) in and from which the Subordination Agent shall make deposits and withdrawals in accordance with this Agreement.

"***Consent Notice***" has the meaning set forth in Section 3.05(d)(ii).

"***Consent Period***" has the meaning set forth in Section 3.05(d)(ii).

"***Controlling Party***" means the Person entitled to act as such pursuant to the terms of Section 2.06.

"***Corporate Trust Office***" means, with respect to any Trustee, the Subordination Agent or any Loan Trustee, the office of such Person in the city at which, at any particular time, its corporate trust business shall be principally administered, which on the date hereof is the address set forth in Section 9.03.

"***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.

"***Deemed Disposition Event***" means, in respect of any Equipment Note, the continuation of an Indenture Event of Default in respect of such Equipment Note without an Actual Disposition Event occurring in respect of such Equipment Note for a period of five years from the date of the occurrence of such Indenture Event of Default.

"***Designated Representatives***" means the Subordination Agent Representatives, the Trustee Representatives and the LP Representatives identified under Section 2.05(c).

"***Distribution Date***" means a Regular Distribution Date or a Special Distribution Date.

"***Dollars***" *or* "***$***" means the lawful currency of the United States.

"***Downgrade Date***" has the meaning specified in Section 3.05(c)(i).

"***Downgrade Drawing***" has the meaning specified in Section 3.05(c)(iii).

"***Downgrade Event***", with respect to any Liquidity Facility, has the meaning specified in such Liquidity Facility.

"***Downgraded Facility***" has the meaning specified in Section 3.05(c)(i).

"***Drawing***" means an Interest Drawing, a Final Drawing, a Non-Extension Drawing, a Special Termination Advance or a Downgrade Drawing, as the case may be.

"***DTC***" means The Depository Trust Company.

"***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 Rating (or, if a Long-Term Rating is not available, its Short-Term Rating equivalent) of at least A3 from Moody's or a Long-Term Rating (or, if a Long-Term Rating is not available, its Short-Term Rating equivalent) of at least A- from S&P. An Eligible Deposit Account may be maintained with the Subordination Agent or a Liquidity Provider so long as the Subordination Agent or such Liquidity Provider is an Eligible Institution; provided that the Subordination Agent, in its individual capacity, or such 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 Rating (or, if a Long-Term Rating is not available, its Short-Term Rating equivalent) of at least A3 from Moody's or a Long-Term Rating (or, if a Long-Term Rating is not available, its Short-Term Rating equivalent) of at least A- from S&P.

"***Eligible Investments***" means investments in (a) obligations of the United States government or agencies thereof, or obligations guaranteed by the United States government having maturities no later than 365 days following the date of such investment, (b) open market commercial paper of any corporation incorporated under the laws of the United States or any state thereof having a Short-Term Rating of at least P-1 or its equivalent by Moody's and a Long-Term Rating of at least AA- or its equivalent by S&P and having maturities no later than 365 days following the date of such investment, (c) 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 United States branch of a foreign bank) having a combined capital and surplus in excess of $500,000,000 which banks or their holding companies have a Long-Term Rating of at least Aa3 or its equivalent from Moody's and a Long-Term Rating of at least AA- or its equivalent from S&P having maturities no later than 365 days following the date of such investment; provided, however, that the aggregate amount at any one time invested in certificates of deposit issued by any one bank shall not be in excess of 5% of such bank's capital and surplus, (d) Dollar denominated offshore certificates of deposit issued by, or offshore time deposits with, any commercial bank described in clause (c) or any subsidiary thereof having maturities no later than 365 days following the date of such investment, (e) repurchase agreements with any financial institution having combined capital and surplus of at least $500,000,000 with any of the obligations described in clauses (a) through (d) as collateral having maturities no later than 365 days following the date of such investment and (f) shares of United States Securities and Exchange Commission registered money market mutual fund(s) having a money market fund rating of at least Aaa-mf or its equivalent from Moody's and a money market fund rating of at least AAAm or its equivalent from S&P. If none of the above investments is available, the entire amounts to be invested may be used to purchase Federal funds from an entity described in clause (c). All Eligible Investments must be held in an Eligible Deposit Account. Any of the investments described herein may be made through or with, as applicable, the bank acting as Trustee or its Affiliates.

"***Equipment Note Special Payment***" means a Special Payment on account of the redemption, purchase or prepayment of all of the Equipment Notes issued pursuant to an Indenture.

"***Equipment Notes***" means, at any time, the Series AA Equipment Notes and, any Equipment Notes issued in exchange therefor or replacement thereof pursuant to the terms of the Indentures.

"***Eligible Pool Balance***" means, with respect to any Class of Certificates, as of any date of determination, the excess of (A) the Pool Balance of the such Class as of the immediately preceding Distribution Date (or, if such date of determination is on or before the first Distribution Date, the original aggregate face amount of such Class) (after giving effect to distributions made on such date of determination) over (B) the sum of, with respect to each Equipment Note of the related series, one of the following amounts, if applicable: (i) if there has previously been a sale or disposition by the applicable Loan Trustee of the applicable Aircraft for cash under the Indenture pursuant to which such Equipment Note was issued, the outstanding principal amount of such Equipment Note that remains unpaid as of such date of determination subsequent to such sale or disposition and after giving effect to any distributions of the proceeds of such sale or disposition applied under such Indenture to the payment of such Equipment Note, (ii) if there has previously been an Event of Loss (as defined in such Indenture) with respect to the applicable Aircraft to which such Equipment Note relates, the outstanding principal amount of such Equipment Note that remains unpaid as of such date of determination subsequent to the scheduled date of mandatory redemption of such Equipment Note following such Event of Loss and after giving effect to the distributions of any proceeds in respect of such Event of Loss applied under such Indenture to the payment of such Equipment Note, (iii) if such Equipment Note has previously been sold for cash by the Subordination Agent, the excess, if any, of (x) the outstanding amount of principal and interest as of the date of such sale by the Subordination Agent of such Equipment Note over (y) the purchase price received with respect to such sale of such Equipment Note for cash (net of any applicable costs and expenses of such sale) or (iv) if a Deemed Disposition Event has occurred with respect to such Equipment Note, the outstanding principal amount of such Equipment Note; provided, however, that if more than one of the clauses (i), (ii), (iii) and (iv) is applicable to any one Equipment Note, only the amount determined pursuant to the clause that first became applicable shall be counted with respect to such Equipment Note.

"***Excess Liquidity Obligations***" means, with respect to an Indenture, the amounts payable under clauses (a), (b), (c), (d), (e) and (f) of Section 2.14 of such Indenture.

"***Expected Distributions***" means, with respect to the Certificates of any Trust on any Current Distribution Date, 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 after the date of issuance of such Certificates, the original aggregate face amount of the Certificates of such Trust) and (B) the Pool Balance of such Certificates as of the Current Distribution Date calculated on the basis that (i) the principal of any Non-Performing Equipment Notes held in such Trust has been paid in full and such payments have been distributed to the holders of such Certificates, (ii) the principal of any Performing Equipment Notes held in such Trust has been paid when due (whether at stated maturity or upon prepayment or purchase or otherwise, but without giving effect to any Acceleration of Performing Equipment Notes) and such payments have been distributed to the holders of such Certificates and (iii) the principal of any Equipment Notes formerly held in such Trust that have 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 in respect of 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.

"***Expiry Date***", with respect to any Liquidity Facility, has the meaning specified in such Liquidity Facility.

"***FedEx***" means Federal Express Corporation, a Delaware corporation, and its successors and permitted assigns.

"***FedEx Bankruptcy Event***" means the occurrence and continuation of any of the following:

(a) FedEx consents 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, admits in writing its inability to pay its debts generally as they come due or makes a general assignment for the benefit of creditors;

(b) FedEx files a voluntary petition in bankruptcy or a voluntary petition or an answer seeking reorganization, liquidation or other relief as a debtor in a case 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 FedEx as a debtor in any such case, or FedEx seeks relief as a debtor 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 FedEx seeks an agreement, composition, extension or adjustment with its creditors under such laws;

(c) an order, judgment or decree is entered by any court of competent jurisdiction appointing, without the consent of FedEx, a receiver, trustee or liquidator of FedEx or sequestering any substantial part of its property, or granting any other relief in respect of FedEx as a debtor under any bankruptcy laws or insolvency laws (as in effect at such time), and any such order, judgment or decree of appointment or sequestration remains in force undismissed, unstayed and unvacated for a period of 90 days after the date of entry thereof; or

(d) a petition against FedEx as a debtor in a case under the federal 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 that applies to FedEx, any court of competent jurisdiction assumes jurisdiction, custody or control of FedEx 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 90 days.

"***FedEx Provisions***" has the meaning specified in Section 8.01(a).

"***Fee Letter***" means any fee letter entered into among the Subordination Agent, FedEx and a Liquidity Provider and "***Fee Letters***" has a correlative meaning.

"***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 specified in Section 3.05(i).

"***Final Legal Distribution Date***" means with respect to the Class AA Certificates, August 20, 2035.

"***Fractional Undivided Interest***" means the fractional undivided interest in a Trust that is represented by a Certificate relating to such Trust.

"***Indenture***" means the Indenture and Security Agreement entered into by the Loan Trustee and FedEx with respect to each aircraft described in Annex A hereto (and any aircraft substituted therefor pursuant to the related Indenture and Security Agreement), in each case as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"***Indenture Event of Default***" means, with respect to any Indenture, any Event of Default (as such term is defined in such Indenture) thereunder.

"***Interest Drawing***" has the meaning specified in Section 3.05(a).

"***Interest Payment Date***" means, with respect to any Liquidity Facility, each date on which interest is due and payable under such Liquidity Facility on a Downgrade Drawing, Non-Extension Drawing, Special Termination Advance or Final Drawing thereunder, other than any such date on which interest is due and payable under such Liquidity Facility only on an Applied Provider Advance or an Applied Special Termination Advance (as such terms are defined in such Liquidity Facility).

"***Investment Earnings***" means investment earnings on funds on deposit in the Trust Accounts net of losses and the Subordination Agent's reasonable expenses in making such investments.

"***Lending Office***" has the meaning specified in the applicable Liquidity Facility.

"***Lien***" means any mortgage, pledge, lien, charge, claim, disposition of title, encumbrance, lease, sublease or security interest of any kind, including, without limitation, any of the foregoing arising under any conditional sales or other title retention agreement.

"***Liquidity Event of Default***", with respect to any Liquidity Facility, has the meaning specified in such Liquidity Facility.

"***Liquidity Expenses***" means the Class AA Liquidity Expenses.

"***Liquidity Facility***" means, at any time, the Class AA Liquidity Facility and any other Liquidity Facility in respect of any other Class issued in accordance with the terms hereof as the context may require.

"***Liquidity Obligations***" means the Class AA Liquidity Obligations.

"***Liquidity Provider***" means, at any time, the Class AA Liquidity Provider or any additional liquidity providers in respect of any class of Refinancing Certificates or any Additional Certificates as the context may require.

"***Loan Trustee***" means, with respect to any Indenture, the bank, trust company or other financial institution designated as loan trustee thereunder, and any successor to such loan trustee.

"***Long-Term Rating***" means, for any entity (a) in the case of Moody's, the long-term senior unsecured debt rating of such entity and (b) in the case of S&P, the long-term issuer credit rating of such entity.

"***LP Incumbency Certificate***" has the meaning specified in Section 2.05(c).

"***LP Representatives***" has the meaning specified in Section 2.05(c).

"***Majority in Interest of Noteholders***", with respect to any Indenture, has the meaning specified in such Indenture.

"***Minimum Sale Price***" means, with respect to any Aircraft or the Equipment Notes issued in respect of such Aircraft, at any time, the lesser of (1) in the case of the sale of an Aircraft, 80%, or in the case of the sale of such Equipment Notes, 90%, of the Appraised Current Market Value of such Aircraft and (2) the sum of the aggregate Note Target Price of such Equipment Notes and an amount equal to the Excess Liquidity Obligations in respect of the Indenture under which such Equipment Notes were issued.

"***Moody's***" means Moody's Investors Service, Inc.

"***Non-Controlling Party***" means, at any time, any Trustee, Liquidity Provider or other Person a party hereto, which, in each case, is not the Controlling Party at such time.

"***Non-Extended Facility***" has the meaning specified in Section 3.05(d)(i).

"***Non-Extension Drawing***" has the meaning specified in Section 3.05(d)(i).

"***Non-Performing Equipment Note***" means an Equipment Note issued pursuant to an Indenture that is not a Performing Equipment Note.

"***Note Target Price***" means, for any Equipment Note issued under any Indenture, (i) the aggregate outstanding principal amount of such Equipment Note, plus (ii) the accrued and unpaid interest thereon, together with all other sums owing on or in respect of such Equipment Note under such Indenture (including, without limitation, enforcement costs incurred by the Subordination Agent in respect of such Equipment Note).

"***Notice Date***" has the meaning specified in Section 3.05(d)(i).

"***Operative Agreements***" means this Agreement, the Liquidity Facilities, the Fee Letter(s), the Indentures, the Trust Agreements, the Parent Guarantee, the Participation Agreements, the Equipment Notes and the Certificates, together with all exhibits and schedules included with any of the foregoing.

"***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) all of the Certificates of such Class for which money in the full amount required to make the Final Distribution 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 Distribution payment; and

(iii) Certificates of such Class in exchange for or in lieu of which other Certificates of such Class have been authenticated and delivered pursuant to such Trust Agreement;

provided, however, that in determining whether the holders of the requisite Fractional Undivided Interest of such Certificates have given any request, demand, authorization, direction, notice, consent or waiver hereunder, any Certificates owned by FedEx or any of its Affiliates shall be disregarded and deemed not to be Outstanding except that, in determining whether the Trustee of the applicable Trust 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. Notwithstanding the foregoing, (x) if FedEx and its Affiliates own 100% of the Certificates of any Class, such Certificates shall not be so disregarded and (y) if any amount of such Certificates owned by FedEx and its Affiliates have been pledged in good faith, such Certificates shall not be disregarded 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 FedEx 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.

"***Parent***" means FedEx Corporation, a Delaware corporation.

"***Parent Guarantee***" means the guarantee, dated as of the Closing Date, provided by Parent for the benefit of the Trustee, the Subordination Agent and the Loan Trustee, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"***Participation Agreement***" means, with respect to each Indenture, the "Participation Agreement" referred to therein, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"***Payees***" has the meaning specified in Section 2.04(c).

"***Payment Default***", with respect to any Indenture, has the meaning specified in such Indenture.

"***Performing Equipment Note***" means an Equipment Note issued pursuant to an Indenture 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 in which FedEx is a debtor under the Bankruptcy Code, (i) any payment default occurring before the date of the order for relief in such proceeding shall not be taken into consideration during the 60-Day Period (or such longer period as may apply under Section 1110(b) of the Bankruptcy Code) (the "Section 1110 Period"), (ii) any payment default occurring after the date of the order for relief in such proceeding shall not be taken into consideration if such payment default is cured under Section 1110(a)(2)(B) of the Bankruptcy Code before the later of 30 days after the date of such default or the expiration of the Section 1110 Period and (iii) any payment default occurring after the Section 1110 Period will not be taken into consideration if such payment default is cured before the end of the grace period, if any, set forth in the related Indenture.

"***Performing Note Deficiency***" means any time that less than 65% of the then aggregate outstanding principal amount of all Series AA Equipment Notes are Performing Equipment Notes.

"***Person***" means any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, trustee, unincorporated organization or government or any agency or political subdivision thereof.

"***Pool Balance***" means, with respect to the Certificates of any Class, as of any date, (i) the original aggregate face amount of the Certificates of such Class less (ii) the aggregate amount of all distributions made in respect of such Certificates of such Class, other than distributions made as of such date in respect of interest or Premium or reimbursement of any costs or expenses incurred in connection therewith. The Pool Balance as of any Distribution Date with respect to each Class shall be computed after giving effect to the payment of principal, if any, on the Equipment Notes or payment with respect to other Trust Property held in the related Trust and the distribution thereof to be made on such date.

"***Post-Default Appraisal***" has the meaning specified in Section 4.01(a)(iv).

"***Premium***" means any "***Make-Whole Amount***" as such term is defined in any Indenture.

"***Proceeding***" means any suit in equity, action at law or other judicial or administrative proceeding.

"***PTC Event of Default***" means, with respect to any Trust Agreement, the failure to distribute within 10 Business Days after the applicable Distribution Date: (i) the outstanding Pool Balance of the applicable Class of Certificates on the Final Legal Distribution Date for such Class or (ii) interest scheduled for distribution on such Certificates on any Distribution Date (unless, in the case of the Class AA Trust Agreement, the Subordination Agent shall have made an Interest Drawing or a withdrawal from the Cash Collateral Account relating to a Liquidity Facility for such Class, with respect thereto in an aggregate amount sufficient to pay such interest and shall have distributed such amount to the Trustee entitled thereto).

"***Rating Agencies***" means, with respect to any Class of Certificates, collectively, at any time, each nationally recognized rating agency which shall have been requested to rate such Class of Certificates and which shall then be rating such Class of Certificates. The initial Rating Agencies for the Certificates will be Moody's and S&P.

"***Ratings Confirmation***" means, with respect to any action proposed to be taken, with respect to any Class of Certificates, a written confirmation from each of the Rating Agencies to the effect that such action would not result in (i) a reduction of the rating for such Class of Certificates below the then current rating for such Class of Certificates or (ii) a withdrawal or suspension of the rating of such Class of Certificates.

"***Refinancing Certificateholders***" has the meaning specified in Section 8.01(c).

"***Refinancing Certificate***" has the meaning specified in Section 8.01(c).

"***Refinancing Equipment Notes***" has the meaning specified in Section 8.01(c).

"***Refinancing Trust***" has the meaning specified in Section 8.01(c).

"***Refinancing Trust Agreement***" has the meaning specified in Section 8.01(c).

"***Refinancing Trustee***" has the meaning specified in Section 8.01(c).

"***Register***", with respect to any Trust, has the meaning ascribed to such term in the Trust Agreement for such Trust.

"***Regular Distribution Dates***" means each February 20 and August 20, commencing on February 20, 2021; 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 without additional interest.

"***Replacement Airframe***", with respect to any Indenture, has the meaning specified in such Indenture.

"***Replacement Liquidity Facility***" means, for any Liquidity Facility, an irrevocable revolving credit agreement (or agreements) in substantially the form of the replaced Liquidity Facility, including reinstatement provisions, or an agreement (or agreements) in such other form (which may include, without limitation, one or more letters of credit, surety bonds, financial insurance policies or guaranties), or any combination thereof, as shall permit the Rating Agencies to confirm in writing their respective ratings then in effect for the Certificates of the Class with respect to which such Liquidity Facility was issued (before downgrading of such ratings, if any, as a result of the downgrading, if any, of the applicable Liquidity Provider), in a face amount (or in an aggregate face amount) equal to the applicable Required Amount and issued by a Person (or Persons) having the minimum Long-Term Rating specified by each Rating Agency as the applicable Threshold Rating for such Rating Agency and the applicable Class of Certificates. A Replacement Liquidity Facility for any Class of Certificates may have a stated expiration date earlier than 15 days after the Final Legal Distribution Date of such Class of Certificates so long as such Replacement Liquidity Facility provides for a Non-Extension Drawing as contemplated by Section 3.05(d) hereof.

"***Replacement Liquidity Provider***" means a Person (or Persons) who issues a Replacement Liquidity Facility.

"***Required Amount***" means, with respect to any Liquidity Facility or the Cash Collateral Account for any Class, for any day, the sum of the aggregate amount of interest, calculated at the rate per annum equal to the Stated Interest Rate for the related Class of Certificates on the basis of a 360-day year comprised of twelve 30-day months, that would be distributable on such Class of Certificates on each of the three successive Regular Distribution Dates immediately following such day or, if such day is a Regular Distribution Date, on such day and the two succeeding Regular Distribution Dates, in each case calculated on the basis of the Pool Balance of such Class of Certificates on such day and without regard to expected future distributions of principal on such Class of Certificates.

"***Responsible Officer***" means (i) with respect to the Subordination Agent and the Trustee, any officer in the Corporate Trust Office of the Subordination Agent or the Trustee, as the case may be, who is responsible for the transaction contemplated hereunder, or any other officer customarily performing functions similar to those performed by the persons who at the time shall be such officers or to whom any corporate trust matter is referred because of his knowledge of and familiarity with a particular subject, and (ii) with respect to a Liquidity Provider, any authorized officer of such Liquidity Provider.

"***S&P***" means Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business.

"***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) or (ii) any distribution in respect of interest on such Equipment Note to the Certificateholders of Certificates of the corresponding Class of Certificates with funds drawn under the Liquidity Facility for such Class or withdrawn from the Cash Collateral Account for such Class, which payment in the case of clause (i) or clause (ii) represents an installment of principal on such Equipment Note at the stated maturity of such installment, or the payment of regularly scheduled interest accrued on the unpaid principal amount of such Equipment Note, or both; provided, however, that any payment of principal, Premium, if any, or interest resulting from the redemption, purchase or prepayment 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.

"***Section 2.04 Fraction***" means, with respect to any Special Distribution Date, a fraction, the numerator of which shall be the amount of principal of the applicable Series AA Equipment Notes being redeemed, purchased or prepaid on such Special Distribution Date, and the denominator of which shall be the aggregate unpaid principal amount of all Series AA Equipment Notes outstanding as of such Special Distribution Date immediately before giving effect to such redemption, purchase or prepayment.

"***Series AA Equipment Notes***" means the equipment notes issued pursuant to each Indenture by FedEx and authenticated by the Loan Trustee thereunder, and designated "Series AA Equipment Notes" thereunder, and any such Equipment Notes issued in exchange therefor or replacement thereof pursuant to the terms of such Indenture.

"***Short-Term Rating***" means, for any entity, (a) in the case of Moody's, the short-term senior unsecured debt rating of such entity and (b) in the case of S&P, the short-term issuer credit rating of such entity.

"***Special Distribution Date***" means, with respect to any Special Payment, the Business Day chosen by the Subordination Agent pursuant to Section 2.04(a) for the distribution of such Special Payment in accordance with this Agreement.

"***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 2.02(a) as a sub-account to the Collection Account.

"***Special Termination Advance***" has the meaning assigned to such term in the applicable Liquidity Facility.

"***Special Termination Notice***" with respect to any Liquidity Facility has the meaning assigned to such term (if such term is used therein) in such Liquidity Facility.

"***Stated Amount***", with respect to any Liquidity Facility, means the Maximum Commitment (as defined in such Liquidity Facility) of the applicable Liquidity Provider thereunder.

"***Stated Expiration Date***" has the meaning specified in Section 3.05(d).

"***Stated Interest Rate***" means with respect to the Class AA Certificates, 1.875% per annum.

"***Subordination Agent***" has the meaning specified in the introductory paragraph to this Agreement.

"***Subordination Agent Incumbency Certificate***" has the meaning specified in Section 2.05(a).

"***Subordination Agent Representatives***" has the meaning specified in Section 2.05(a).

"***Substitute Airframe***", with respect to any Indenture, has the meaning specified in such Indenture.

"***Tax***" and "***Taxes***" means all governmental fees (including, without limitation, license, filing and registration fees) and all taxes (including, without limitation, franchise, excise, stamp, value added, income, gross receipts, sales, use and property taxes), withholdings, assessments, levies, imposts, duties or charges, of any nature whatsoever, together with any related penalties, fines, additions to tax or interest thereon imposed, withheld, levied or assessed by any country, taxing authority or governmental subdivision thereof or therein or by any international authority, including any taxes imposed on any Person as a result of such Person being required to collect and pay over withholding taxes.

"***Termination Notice***" has the meaning specified in the applicable Liquidity Facility.

"***Threshold Rating***" means, a Long-Term Rating of Baa2 as determined by Moody's and a Long-Term Rating of A- as determined by S&P.

"***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 Event of Default under all of the Indentures 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 FedEx Bankruptcy Event.

"***Trust***" means the Class AA Trust or any other trust with respect to any other Class.

"***Trust Accounts***" has the meaning specified in Section 2.02(a).

"***Trust Agreement***" means the Class AA Trust Agreement or any other trust agreement with respect to any other Class.

"***Trust Property***", with respect to any Trust, has the meaning specified in the Trust Agreement for such Trust.

"***Trust Supplement***" means an agreement supplemental to the Basic Agreement pursuant to which (i) a separate trust is created for the benefit of the holders of Certificates of a Class, (ii) the issuance of the Certificates of a Class representing Fractional Undivided Interests in such trust is authorized and (iii) the terms of the Certificates of such Class are established, as such agreement may from time to time be supplemented, amended or otherwise modified.

"***Trustee***" means the Class AA Trustee, any successor thereto or any Additional Trustee, as the context may require.

"***Trustee Incumbency Certificate***" has the meaning specified in Section 2.05(b).

"***Trustee Representatives***" has the meaning specified in Section 2.05(b).

"***Unapplied Provider Advance***" has the meaning specified in the applicable Liquidity Facility.

"***Unapplied Special Termination Advance*** " has the meaning specified in the applicable Liquidity Facility.

"***Underwriters***" means Citigroup Global Markets, Inc., Deutsche Bank Securities Inc., Morgan Stanley & Co. LLC, BNP Paribas Securities Corp. and Academy Securities, Inc.

"***Underwriting Agreement***" means the Underwriting Agreement, dated July 30, 2020 among the Representatives (as defined in the Underwriting Agreement) of the Underwriters, Parent and FedEx, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"***United States***" means the United States of America.

"***Withdrawal Notice***" has the meaning specified in Section 3.05(d)(ii).

"***Written Notice***" means, from the Subordination Agent, any Trustee or Liquidity Provider, a written instrument executed by the Designated Representative of such Person. An invoice delivered by a Liquidity Provider pursuant to Section 3.01 in accordance with its normal invoicing procedures shall constitute Written Notice under such Section.

ARTICLE II

TRUST ACCOUNTS; CONTROLLING PARTY

Section 2.01 Agreement to Terms of Subordination; Payments from Monies Received Only. (a) The Class AA Trustee hereby (i) acknowledges and agrees to the terms of subordination and distribution set forth in this Agreement in respect of the Class AA Certificates and (ii) agrees to enforce such provisions and cause all payments in respect of the Equipment Notes held by the Subordination Agent and the Class AA Liquidity Facility to be applied in accordance with the terms of this Agreement. In addition, the Class AA Trustee hereby agrees to cause the Equipment Notes purchased by the Class AA Trust to be registered in the name of the Subordination Agent or its nominee, as agent and trustee for the Class AA 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.

(a) Except as otherwise expressly provided in the next succeeding sentence of this Section 2.01(b), 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 and other payments under the Operative Agreements, including payments under Section 4.02 of the Participation Agreements, Section 2.14 of the Indentures and the Parent Guarantee, 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. The Class AA Trustee and the Subordination Agent hereby agrees, and each Certificateholder, by its acceptance of a Certificate, and the Class AA Liquidity Provider, by entering into the Class AA Liquidity Facility, has agreed to look solely to such amounts to the extent available for distribution to it as provided in this Agreement or the applicable Trust Agreement, as the case may be, and that none of the Class AA Trustee, the Loan Trustee or the Subordination Agent is personally liable to any of them for any amounts payable or any liability arising under this Agreement, any Trust Agreement, any Liquidity Facility or such Certificate, except (in the case of the Subordination Agent) as expressly provided herein or (in the case of the Trustee) as expressly provided herein and in each Trust Agreement or (in the case of the Loan Trustee) as expressly provided in any Operative Agreement.

(b) Notwithstanding anything to the contrary in this Agreement and in the other Operative Agreements, the Certificates do not represent indebtedness of the related Trust, and references in this Agreement and the Operative Agreements to accrued interest or principal amounts payable on the Certificates of any Class are included only for computational purposes. For purposes of such computations, the Certificates of any Class shall be deemed to be comprised of interest and principal components, with the principal component deemed to be the Pool Balance, and the interest component deemed to equal interest accruing at the Stated Interest Rate for such Class of Certificates from the later of (1) the date of the issuance thereof and (2) the most recent but preceding Distribution Date to which such interest was distributed to, but excluding, the applicable date of determination, such interest to be considered payable in arrears and to be calculated on the basis of a 360-day year comprised of twelve 30-day months.

Section 2.02 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 Class AA Trustee, the Certificateholders and the Class AA Liquidity Provider, and (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 Class AA Trustee, the Certificateholders and the Class AA Liquidity Provider. The Subordination Agent shall establish and maintain the Cash Collateral Accounts pursuant to and under the circumstances set forth in Section 3.05(f). Upon such establishment and maintenance under Section 3.05(f), the Cash Collateral Accounts shall, together with the Collection 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 Trust(s).

(a) Funds on deposit in the Trust Accounts shall be invested and, solely in the case of funds in the Cash Collateral Accounts or the sub-accounts described in Section 3.05(f), reinvested by the Subordination Agent in Eligible Investments selected by FedEx or its designated representative 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 2.04, as the case may be, next following the date of such investment; provided, however, that, following the making of a Non-Extension Drawing, a Downgrade Drawing or a Special Termination Advance under any Liquidity Facility, the Subordination Agent shall invest and reinvest the amounts in the applicable Cash Collateral Account in Eligible Investments pursuant to the written instructions of the Liquidity Provider funding such Drawing, and provided further, however, that upon the occurrence and during the continuation of a Triggering Event, the Subordination Agent shall invest and, solely in the case of funds in the Cash Collateral Accounts or the sub-accounts described in Section 3.05(f), reinvest the amounts on deposit in the Trust Accounts (other than amounts in the Cash Collateral Accounts as a result of a Non-Extension Drawing, a Downgrade Drawing or a Special Termination Advance, which shall be governed by the foregoing proviso) 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, Section 3.05(f)), 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. The Subordination Agent's reasonable fees and expenses actually incurred in making such investments and any losses incurred in such investments shall be charged against the principal amount invested. 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 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.

(b) 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 herein 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 applicable Trustee, the applicable Certificateholders and the applicable Liquidity 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, to which a Rating Agency may consent) establish a new Collection Account, Special Payments Account or Cash Collateral 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 or Cash Collateral Account, as the case may be. So long as the Subordination Agent is an Eligible Institution, the Trust Accounts shall be maintained with it as Eligible Deposit Accounts.

Section 2.03 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 Cash Collateral Account).

(a) The Subordination Agent shall, on each day 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 2.04 Distributions of Special Payments. (a) Notice of Special Payment. Except as provided in Section 2.04(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 the Class AA Trustee and the Class AA Liquidity Provider. The Subordination Agent shall promptly calculate the amount of the proceeds of any redemption, purchase or prepayment of any Equipment Note or the amount of any Overdue Scheduled Payment or the proceeds of Equipment Notes or Collateral, as the case may be, comprising such Special Payment under the applicable Indenture or Indentures and shall promptly send to the Class AA Trustee and the Class AA Liquidity 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 (a "Special Distribution Date"), 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 and (y) the date the Subordination Agent has received or expects to receive such Special Payment. Amounts on deposit in the Special Payments Account shall be distributed in accordance with Sections 2.04(b) and 2.04(c) and Article III hereof, as applicable.

For the purposes of the application of any Special Payment in respect of any Equipment Note to be distributed on any Special Distribution Date in accordance with Section 3.02 hereof, so long as no Indenture Event of Default shall have occurred and be continuing under any Indenture:

(i) clause "second" thereof shall be deemed to read as follows: "second, accrued and unpaid Liquidity Expenses then overdue plus an amount equal to all accrued and unpaid Liquidity Expenses not yet overdue multiplied by the Section 2.04 Fraction shall be distributed to the Class AA Liquidity Provider";

(ii) clause "third" thereof shall be deemed to read as follows: "third, (i) such amount as shall be required to pay accrued and unpaid interest then overdue on all Liquidity Obligations (at the rate, or in the amount, provided in the Class AA Liquidity Facility) plus an amount equal to the amount of accrued and unpaid interest on the Liquidity Obligations not yet overdue multiplied by the Section 2.04 Fraction, and (ii) if one or more Special Termination Advances have been made under the Class AA Liquidity Facility and have not been converted into a Final Drawing, the outstanding amount of such Special Termination Advances, shall be distributed to the Class AA Liquidity Provider"; and

(iii) clause "seventh" thereof shall be deemed to read as follows: "seventh, such amount as shall be required to pay accrued, due and unpaid interest at the Stated Interest Rate on the outstanding Pool Balance of the Class AA Certificates, together with (without duplication) any other accrued and unpaid interest at the Stated Interest Rate on the outstanding principal amount of the Series AA Equipment Notes held in the Class AA Trust being redeemed, purchased or prepaid shall be paid to the Class AA Trustee".

(b) Investment of Amounts in Special Payments Account. Any amounts on deposit in the Special Payments Account prior to the distribution thereof pursuant to Section 2.04 or 3.02 shall be invested in accordance with Section 2.02(b). Investment Earnings on such investments shall be distributed in accordance with Article III hereof.

(c) Certain Payments. Except for amounts constituting Liquidity Obligations which shall be distributed as provided in Section 3.02, the Subordination Agent will distribute promptly upon receipt thereof (i) any indemnity payment or expense reimbursement received by it from Parent or FedEx in respect of the Class AA Trustee or the Class AA Liquidity Provider (collectively, the "Payees") and (ii) any compensation received by it from Parent or FedEx under any Operative Agreement in respect of any Payee, directly to the Person entitled thereto, provided that if such Payee has previously received from the Collection Account such payment, compensation or reimbursement, then the Subordination Agent shall deposit such amount in the Collection Account.

Section 2.05 Designated Representatives. (a) With the delivery of this Agreement, the Subordination Agent shall furnish to the Class AA Liquidity Provider and the Class AA Trustee, and from time to time thereafter may furnish to the Class AA Liquidity Provider and the Class AA Trustee, at the Subordination Agent's discretion, or upon the Class AA Liquidity Provider's or the Class AA 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 the Class AA Liquidity Provider and the Class AA 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.

(a) With the delivery of this Agreement, the Class AA Trustee shall furnish to the Subordination Agent, and from time to time thereafter may furnish to the Subordination Agent, at the Class AA 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 (with respect to each the Class AA Trustee, a "Trustee Incumbency Certificate") of a Responsible Officer of the Class AA Trustee certifying as to the incumbency and specimen signatures of the officers of the Class AA Trustee and the attorney-in-fact and agents of the Trustee (with respect to the Class AA Trustee, the "Trustee Representatives") authorized to give Written Notices on behalf of the Class AA Trustee hereunder. Until the Subordination Agent receives a subsequent Trustee Incumbency Certificate from the Class AA Trustee, it shall be entitled to rely on the last Trustee Incumbency Certificate with respect to the Class AA Trustee delivered to it hereunder.

(b) With the delivery of this Agreement, the Class AA Liquidity Provider shall furnish to the Subordination Agent, and from time to time thereafter may furnish to the Subordination Agent, at the Class AA Liquidity 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 (with respect to the Class AA Liquidity Provider, an "LP Incumbency Certificate") of a Responsible Officer of the Class AA Liquidity Provider certifying as to the incumbency and specimen signatures of the officers of the Class AA Liquidity Provider and the attorney-in-fact and agents of the Class AA Liquidity Provider (with respect to the Class AA Liquidity Provider, the "LP Representatives" and, together with the Subordination Agent Representatives and the Trustee Representatives, the "Designated Representatives") authorized to give Written Notices on behalf of the Class AA Liquidity Provider hereunder. Until the Subordination Agent receives a subsequent LP Incumbency Certificate from the Class AA Liquidity Provider, it shall be entitled to rely on the last LP Incumbency Certificate with respect to the Class AA Liquidity Provider delivered to it hereunder.

Section 2.06 Controlling Party. (a) Subject to Section 8.01(b), the Trustee and each Liquidity Provider hereby agree that, with respect to any Indenture at any given time, the Loan Trustee thereunder will be directed: (i) so long as no Indenture Event of Default has occurred and is continuing thereunder, in taking, or refraining from taking, any action under such Indenture or with respect to the Equipment Notes issued thereunder by a Majority in Interest of Noteholders of such Equipment Notes (provided that, for so long as the Subordination Agent is the registered holder of such Equipment Notes, the Subordination Agent shall act with respect to this clause (i) in accordance with the directions of the Trustee (in the case of the Trustee, with respect to the Equipment Notes issued under such Indenture and held as Trust Property of the Trust) constituting, in the aggregate, directions with respect to an outstanding principal amount of such Equipment Notes that, if held by the Trustee directly, would make the Trustee a Majority in Interest of Noteholders), and (ii) after the occurrence and during the continuance of an Indenture Event of Default thereunder, in taking, or refraining from taking, any action under such Indenture or with respect to such Equipment Notes issued thereunder, including exercising remedies thereunder (including Accelerating the Equipment Notes issued thereunder or foreclosing the Lien created thereunder on the Aircraft securing such Equipment Notes), by the Controlling Party.

(a) Subject to paragraph (c) below, the "Controlling Party" shall be (i) the Class AA Trustee and (ii) upon payment of Final Distributions to the holders of Class AA Certificates, but, if any class or classes of Additional Certificates are outstanding, prior to payment of Final Distributions to the holders of the most senior, in priority of payment of "Expected Distributions" under this Agreement, class of Additional Certificates, the Additional Trustee for the Additional Trust related to such most senior class of Additional Certificates. For purposes of giving effect to the provisions of Section 2.06(a) and this Section 2.06(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 Section 2.06(a) and Article VIII, shall exercise its voting rights in respect of the Equipment Notes so held by the Subordination Agent 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.

(b) Notwithstanding the foregoing, at any time after 18 months from the earliest to occur of (i) the date on which the entire Available Amount as of such date under any Liquidity Facility shall have been drawn (for any reason other than a Downgrade Drawing or a Non-Extension Drawing but including a Final Drawing, a Special Termination Advance or a Downgrade Drawing or Non-Extension Drawing that has been converted into a Final Drawing under such Liquidity Facility) and remains unreimbursed, (ii) the date on which the entire amount of any Downgrade Drawing or Non-Extension Drawing under any Liquidity Facility shall have become and remain "Applied Downgrade Advances" or "Applied Non-Extension Advances", as the case may be, under and as defined in such Liquidity Facility and (iii) the date on which all Equipment Notes under all Indentures shall have been Accelerated (provided that in the event of a bankruptcy proceeding under the Bankruptcy Code in which FedEx is a debtor, any amounts payable in respect of Equipment Notes which have become immediately due and payable by declaration or otherwise shall not be considered Accelerated for purposes of this subclause (iii) until the expiration of the 60-Day Period or such longer period as may apply under Section 1110(a)(2)(B) or Section 1110(b) of the Bankruptcy Code), the Liquidity Provider with the greatest amount of unreimbursed Liquidity Obligations owed to it (so long as such Liquidity Provider has not defaulted in its obligation to make any Drawing under its Liquidity Facility) shall have the right to elect, by Written Notice to the Subordination Agent and the Trustee, to become the Controlling Party hereunder with respect to any Indenture at any time from and including the last day of such 18-month period.

(c) [Reserved].

(d) The exercise of remedies by the Controlling Party under this Agreement shall be expressly limited by Sections 4.01(a)(ii) and 4.01(a)(iii) hereof.

(e) 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.

(f) Notwithstanding anything contained herein, neither the Controlling Party nor the Subordination Agent shall be authorized or empowered to do anything that would cause any Trust to fail to qualify as a "grantor trust" for federal income tax purposes.

ARTICLE III

RECEIPT, DISTRIBUTION AND APPLICATION OF AMOUNTS RECEIVED

Section 3.01 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 AA Certificates, the Class AA Trustee shall separately set forth the amounts to be paid in accordance with clause "first" (to reimburse payments made by the Trustee or the Class AA Certificateholders, as the case may be, pursuant to subclause (ii) or (iv) of clause "first") of Section 3.02 hereof, subclauses (ii) and (iii) of clause "sixth" of Section 3.02 hereof and clauses "seventh" and "eighth" of Section 3.02 hereof;

(ii) [Reserved];

(iii) With respect to the Class AA Liquidity Facility, the Class AA Liquidity Provider thereunder shall separately set forth the amounts to be paid to it in accordance with subclauses (iii) and (iv) of clause "first" of Section 3.02 hereof, clause "second" of Section 3.02 hereof, clause "third" of Section 3.02 hereof, clause "fourth" of Section 3.02 hereof and clause "fifth" of Section 3.02 hereof; and

(iv) The Class AA Trustee shall set forth the amounts to be paid in accordance with clause "sixth" of Section 3.02 hereof.

(b) At such time as a Trustee or a Liquidity 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 3.02 hereof, as applicable, and, in the case of a Liquidity Provider, its commitment or obligations under the related Liquidity Facility shall have terminated or expired, such Person shall, by a Written Notice, so inform the Subordination Agent, FedEx and each other party to this Agreement.

(c) As provided in Section 6.05, the Subordination Agent shall be fully protected in relying on any of the information set forth in a Written Notice provided by any Trustee or any Liquidity Provider pursuant to paragraphs (a) and (b) 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.

(d) Any Written Notice delivered by a Trustee, a Liquidity Provider or the Subordination Agent, as applicable, pursuant to Section 3.01, 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 that 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.

(e) In the event the Subordination Agent shall not receive from any Person any information set forth in paragraph (a) above which is required to enable the Subordination Agent to make a distribution to such Person pursuant to Section 3.02 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 "eighth" of Section 3.02 to the extent it shall have sufficient information to enable it to make such distributions, and shall continue to hold any funds remaining on the terms hereof, including Section 2.02(b), after making such distributions, until the Subordination Agent shall receive all necessary information to enable it to distribute any funds so withheld, and upon receipt of the information necessary to distribute any funds so withheld, the Subordination Agent shall distribute such funds.

(f) On such dates (but not more frequently than monthly) as any Liquidity 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 3.01(e).

The notices required under Section 3.01(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 Equipment Notes, 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.

Section 3.02 Distribution of Amounts on Deposit in the Collection Account. Except as otherwise provided in Sections 2.04, 3.01(e), 3.03, 3.05(b) and 3.05(l), amounts on deposit in the Collection Account (including amounts on deposit in the Special Payments Account) shall be promptly distributed on each Regular Distribution Date (or, in the case of any amount described in Sections 2.04(a) or 2.04(b), 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 3.01(a):

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) or reasonably expected to be incurred by it for the period ending on the next succeeding Regular Distribution Date (which shall not exceed $150,000 unless approved in writing by the Controlling Party and accompanied by evidence that such costs are actually expected to be incurred) 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) the Class AA 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 the Trustee, (iii) the Class AA Liquidity Provider for any amounts of the nature described in clause (i) above actually incurred by it (to the extent not previously reimbursed), shall be distributed to the Class AA Liquidity Provider, and (iv) the Class AA Liquidity Provider or any Certificateholder for payments, if any, made by it to the Subordination Agent or the Trustee in respect of amounts described in clause (i) above actually incurred by it (to the extent not previously reimbursed) (collectively, the "Administration Expenses"), shall be distributed to the Class AA Liquidity Provider or the Class AA 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 all accrued and unpaid Liquidity Expenses owed to the Class AA Liquidity Provider (other than amounts distributed pursuant to clause "first" of this Section 3.02) shall be distributed to the Class AA Liquidity Provider;

third, (i) such amount as shall be required to pay the aggregate amount of accrued and unpaid interest on all Liquidity Obligations (at the rate, or in the amount, provided in the Class AA Liquidity Facility) shall be distributed to the Class AA Liquidity Provider and, after giving effect to clause (i) above, (ii) if one or more Special Termination Advances have been made under the Class AA Liquidity Facility that have not been converted into a Final Drawing, the outstanding amount of such Special Termination Advances shall be distributed to the Class AA Liquidity Provider;

fourth, such amount as shall be required (A) if the Class AA Cash Collateral Account had been previously funded as provided in Section 3.05(g), unless (i) on such Distribution Date a Performing Note Deficiency exists and a Liquidity Event of Default shall have occurred and be continuing with respect to the Class AA Liquidity Facility or (ii) a Final Drawing shall have occurred with respect to the Class AA Liquidity Facility or an Interest Drawing for the Class AA Liquidity Facility shall have been converted into a Final Drawing, to fund the Class AA Cash Collateral Account up to its Required Amount shall be deposited in the Class AA Cash Collateral Account, (B) if the Class AA Liquidity Facility shall become a Downgraded Facility or a Non-Extended Facility at a time when unreimbursed Interest Drawings under the Class AA Liquidity Facility have reduced the Available Amount thereunder to zero, unless (i) on such Distribution Date a Performing Note Deficiency exists and a Liquidity Event of Default shall have occurred and be continuing with respect to the Class AA Liquidity Facility or (ii) a Final Drawing shall have occurred or an Interest Drawing shall have been converted into a Final Drawing, to fund the Class AA Cash Collateral Account up to its Required Amount shall be deposited in the Class AA Cash Collateral Account, and (C) if neither subclause (A) nor subclause (B) of this clause "fourth" is applicable, to pay or reimburse the Class AA Liquidity Provider in an amount equal to the outstanding amount of all Liquidity Obligations then due under the Class AA Liquidity Facility (other than amounts distributed pursuant to clauses "first", "second" or "third" of this Section 3.02), pro rata on the basis of the amounts of all such fundings and/or unreimbursed Liquidity Obligations payable to the Class AA Liquidity Provider;

fifth, if, with respect to the Class AA Liquidity Facility, any amounts are to be distributed pursuant to either subclause (A) or (B) of clause "fourth" above, then the Class AA Liquidity Provider shall be paid the excess of (x) the aggregate outstanding amount of unreimbursed Advances (whether or not then due) under the Class AA Liquidity Facility over (y) the Required Amount for the Class AA Cash Collateral Account without duplication of any amounts distributed pursuant to clauses "first", "second", "third", and "fourth" of this Section 3.02;

sixth, 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) the Class AA Trustee for any Tax (other than Taxes imposed on compensation paid under the applicable Trust Agreement), expense, fee, charge or other loss incurred by, or any other amount payable to, the Class AA Trustee under the Class AA Trust Agreement (to the extent not previously reimbursed), shall be distributed to the Class AA Trustee, and (iii) each Certificateholder for payments, if any, made by it pursuant to Section 5.02 hereof in respect of amounts described in clause (i) above (without duplication of any amounts distributed pursuant to subclause (iv) of clause "first" of this Section 3.02) shall be distributed to the Class AA Trustee for the account of such Certificateholder, in each such case, pro rata, without duplication, on the basis of all amounts described in clauses (i) through (iii) above;

seventh, such amount as shall be required to pay in full accrued and unpaid interest at the Stated Interest Rate on the Pool Balance of the Class AA Certificates shall be distributed to the Class AA Trustee;

eighth, such amount as shall be required to pay in full Expected Distributions to the holders of the Class AA Certificates on such Distribution Date shall be distributed to the Class AA Trustee; and

ninth, 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.

With respect to clauses "first" and "sixth" above, no amounts shall be reimbursable to the Subordination Agent, the Class AA Trustee, the Class AA Liquidity Provider or any Certificateholder for any payments made by any such Person in connection with any Equipment Note that is no longer held by the Subordination Agent (to the extent that such payments relate to periods after such Equipment Note ceases to be held by the Subordination Agent).

Section 3.03 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 (i) in the order of priority specified in Section 3.02 hereof and (ii) to the extent received or realized at any time after the Final Distributions for each Class of Certificates have been made, in the manner provided in clause "first" of Section 3.02 hereof.

(a) Notwithstanding the priority of payments specified in Section 3.02, in the event any Investment Earnings on amounts on deposit in any Cash Collateral Account resulting from an Unapplied Provider Advance or an Unapplied Special Termination 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 or such Unapplied Special Termination Advance, as the case may be, to the extent of such Investment Earnings, and any excess of such Investment Earnings over such interest, if any, shall be treated in the same manner as amounts on deposit in the Cash Collateral Accounts pursuant to Section 3.05(f)(vii) at the time of the application of such Section .

(b) 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 3.02; provided that, for the purposes of this Section 3.03(c) only, each reference in clause "eighth" of Section 3.02 to "Distribution Date" shall be deemed to refer to such Scheduled Payment Date.

Section 3.04 Payments to the Trustee and the Liquidity Provider. Any amounts distributed hereunder to the Class AA Liquidity Provider shall be paid by wire transfer of funds to the account that the Class AA Liquidity Provider shall provide to the Subordination Agent. The Subordination Agent shall provide a Written Notice of any such transfer to the Class AA Liquidity Provider at the time of such transfer. Any amounts distributed hereunder by the Subordination Agent to the Class AA Trustee that is not the same institution as the Subordination Agent shall be paid to the Class AA Trustee by wire transfer of funds at the account the Class AA Trustee shall provide to the Subordination Agent.

Section 3.05 Liquidity Facilities. (a) Interest Drawings. 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 AA Certificates (at the Stated Interest Rate for such Class of Certificates), then, prior to 12:30 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 Class AA Liquidity Facility in an amount equal to the lesser of (x) an amount sufficient to pay the amount of such accrued interest shortfall (at the applicable Stated Interest Rate for such Class of Certificates) and (y) the Available Amount under the Class AA Liquidity Facility, and (ii) the Subordination Agent shall upon receipt of such amount pay such amount to the Trustee with respect to the Class AA Certificates in payment of such accrued interest shortfall.

(a) Application of Interest Drawings. Notwithstanding anything to the contrary contained in this Agreement, all payments received by the Subordination Agent in respect of an Interest Drawing under the Class AA Liquidity Facility and all amounts withdrawn by the Subordination Agent from the Class AA Cash Collateral Account, and payable in each case to the Class AA Certificateholders or the Class AA Trustee, shall be promptly distributed to the Class AA Trustee.

(b) Downgrade Drawings. (i) The Class AA Liquidity Provider will promptly, but in any event within 10 days of the occurrence of a Downgrade Event with respect to it (the date of such occurrence, the "Downgrade Date"), deliver notice to the Subordination Agent and FedEx of the occurrence of such Downgrade Event and the Downgrade Date therefor. After the occurrence of a Downgrade Event with respect to the Class AA Liquidity Provider, the Class AA Liquidity shall become a "Downgraded Facility" on the 35th day after the related Downgrade Date, unless, not later than such 35th day (or, if earlier, the expiration date of such Downgraded Facility), the Rating Agency whose downgrading of the Class AA Liquidity Provider resulted in such Downgrade Event shall have provided a written confirmation to the effect that the occurrence of such Downgrade Event will not result in the downgrading, withdrawal or suspension of the ratings then issued by such Rating Agency of the Class AA Certificates. Notwithstanding the foregoing, if at any time after the occurrence of such Downgrade Event, the Class AA Liquidity Provider notifies the Subordination Agent in writing that no such confirmation will be provided by such Rating Agency, the Class AA Liquidity Facility shall become a Downgraded Facility as of the date of such notice to the Subordination Agent.

(i) If at any time the Class AA Liquidity Facility becomes a Downgraded Facility, not later than the 35th day after the related Downgrade Date (or, if earlier, the expiration date of such Downgraded Facility), the Class AA Liquidity Provider (at its own expense, except as provided in the applicable Fee Letter) or FedEx (at its own expense, except as provided in the applicable Fee Letter) may arrange for a Replacement Liquidity Provider to issue and deliver a Replacement Liquidity Facility to the Subordination Agent in accordance with Section 3.05(e).

(ii) If a Downgraded Facility has not been replaced by a Replacement Liquidity Facility in accordance with Section 3.05(c)(ii), the Subordination Agent shall, on the 35th day referred to in Section 3.05(c)(ii) (or if such 35th 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 3.05(f) hereof. Subject to Section 3.05(e)(iii), the applicable Liquidity Provider may also arrange for a Replacement Liquidity Provider to issue and deliver a Replacement Liquidity Facility at any time after such Downgrade Drawing so long as such Downgrade Drawing has not been reimbursed in full to such Liquidity Provider.

(iii) For the avoidance of doubt, the provisions of this Section 3.05(c) shall apply to each occurrence of a Downgrade Event with respect to a Liquidity Provider, regardless of whether or not one or more Downgrade Events have occurred prior thereto and whether or not any confirmation by a Rating Agency specified in Section 3.05(c)(i) has been obtained with respect to any prior occurrence of a Downgrade Event.

(iv) If, at any time after making a Downgrade Drawing, the applicable Liquidity Provider satisfies the Threshold Rating and delivers written notice to such effect to the Subordination Agent and FedEx, as of the second Business Day following receipt of such notice, (A) such Downgraded Facility shall cease to be a Downgraded Facility, (B) the Subordination Agent shall withdraw the unapplied amount of such Downgrade Drawing on deposit in the applicable Cash Collateral Account and reimburse such amount to such Liquidity Provider, (C) any applied amount of such Downgrade Drawing shall be deemed to have been converted to an Interest Drawing as of such date in accordance with the applicable Liquidity Facility, (D) the obligations of such Liquidity Provider shall be reinstated in accordance with the applicable Liquidity Facility, and (E) the proviso in the definition of Available Amount shall no longer apply to such Downgrade Drawing.

(c) Non-Extension Drawings. If any Liquidity Facility with respect to any Class of Certificates 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 such Class of Certificates, then the following provisions shall apply:

(i) In the case of the initial Class AA Liquidity Facility or any other Liquidity Facility having extension provisions identical to those set forth in Section 2.10 of the initial Class AA Liquidity Facility, then, if before the 60th day prior to any anniversary date of the Closing Date (such 60th day, the "Notice Date"), the applicable Liquidity Provider shall have advised the Subordination Agent and FedEx that such Liquidity Facility shall not be extended beyond the immediately following anniversary date of the Closing Date and on or before the 25th day prior to such anniversary date such Liquidity Facility shall not have been replaced in accordance with Section 3.05(e), the Subordination Agent shall, on such 25th day (or as soon thereafter as possible but prior to the date of expiration of the expiring Liquidity Facility (a "Non-Extended Facility"), in accordance with the terms of such Non-Extended Facility, request a drawing under such Non-Extended Facility (such drawing, a "Non-Extension Drawing") of the Available Amount thereunder.

(ii) In the case of any other Liquidity Facility, no earlier than the 60th day and no later than the 40th day prior to the then applicable Stated Expiration Date, the Subordination Agent shall request in writing that such Liquidity Provider extend the Stated Expiration Date to the earlier of (i) the date that is 15 days after the Final Legal Distribution Date for such Class of Certificates and (ii) the date that is the day immediately preceding the 364th day after the last day of the Consent Period (unless the obligations of such Liquidity Provider thereunder are earlier terminated in accordance with such Liquidity Facility). Whether or not the applicable Liquidity Provider has received a request from the Subordination Agent, such Liquidity Provider shall by notice (the "Consent Notice") to the Subordination Agent, during the period commencing on the date that is 60 days prior to the then effective Stated Expiration Date (or if earlier, the date of such Liquidity Provider's receipt of such request, if any, from the Subordination Agent) and ending on the date that is 25 days prior to such Stated Expiration Date (the "Consent Period") advise the Subordination Agent whether, in its sole discretion, it agrees to so extend the Stated Expiration Date; provided, that such extension shall not be effective with respect to such Liquidity Provider if, by notice (the "Withdrawal Notice") to the Subordination Agent prior to the end of the Consent Period, such Liquidity Provider revokes its Consent Notice. If a Liquidity Provider advises the Subordination Agent on or before the end of the Consent Period that such Stated Expiration Date shall not be so extended or fails to irrevocably and unconditionally advise the Subordination Agent on or before the end of the Consent Period that such Stated Expiration Date shall be so extended or gives a Withdrawal Notice to the Subordination Agent prior to the end of the Consent Period (and, in each case, if such Liquidity Provider shall not have been replaced in accordance with Section 3.05(e)), the Subordination Agent shall, on the date on which the Consent Period ends (or as soon as possible thereafter but prior to the Stated Expiration Date), in accordance with and to the extent permitted by the terms of the Non-Extended Facility, request a Non-Extension Drawing under such Non-Extended Facility of the Available Amount thereunder.

(iii) Amounts drawn pursuant to a Non-Extension Drawing shall be maintained and invested in accordance with Section 3.05(f).

(d) Issuance of Replacement Liquidity Facility. (i) Subject to Section 3.05(e)(iii) and the agreements, if any, in the applicable Fee Letter, at any time, FedEx may, at its option and at its own expense, with cause or without cause, arrange for a Replacement Liquidity Facility to replace any Liquidity Facility for any Class of Certificates (including any Replacement Liquidity Facility provided pursuant to Section 3.05(e)(ii)). If such Replacement Liquidity Facility is provided at any time after a Downgrade Drawing, a Non-Extension Drawing or a Special Termination Advance has been made, all funds on deposit in the relevant Cash Collateral Account resulting from such Downgrade Drawing, Non-Extension Drawing or Special Termination Advance will be returned to the Liquidity Provider being replaced.

(i) If any Liquidity Provider shall determine not to extend its Liquidity Facility in accordance with Section 3.05(d), then such Liquidity Provider may, at its option and its own expense, arrange for a Replacement Liquidity Facility to replace such 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 such Liquidity Facility. At any time after a Non-Extension Drawing has been made under any Liquidity Facility, the Liquidity Provider thereunder may, at its option and its own expense, arrange for a Replacement Liquidity Facility to replace the Liquidity Facility under which such Non-Extension Drawing has been made.

(ii) No Replacement Liquidity Facility arranged by FedEx or a Liquidity Provider in accordance with clause (i) or (ii) above or pursuant to Section 3.05(c), respectively, shall become effective and no such Replacement Liquidity Facility shall be deemed a "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 Liquidity Facility shall materially adversely affect the rights, remedies, interests or obligations of the Class AA Certificateholders under any of the Operative Agreements, the Class AA Trustee shall have consented, in writing, to the execution and issuance of such Replacement Liquidity Facility and (C) in the case of a Replacement Liquidity Facility arranged by a Liquidity Provider under Section 3.05(e)(ii) or pursuant to Section 3.05(c), such Replacement Liquidity Facility is reasonably acceptable to FedEx.

(iii) In connection with the issuance of each Replacement Liquidity Facility, the Subordination Agent shall (x) prior to the issuance of such Replacement Liquidity Facility, obtain written confirmation from each Rating Agency to the effect that such Replacement Liquidity Facility will not cause a reduction, withdrawal or suspension of any rating then in effect for the related Class of Certificates by such Rating Agency (without regard to any downgrading of any rating of the Liquidity Provider being replaced pursuant to Section 3.05(c)), (y) pay all Liquidity Obligations then owing to the replaced Liquidity Provider (which payment shall be made first from available funds in the applicable Cash Collateral Account as described in Section 3.05(f), and thereafter from any other available source, including, without limitation, a drawing under the Replacement Liquidity Facility) and (z) cause the issuer of the Replacement Liquidity Facility to deliver the Replacement Liquidity Facility to the Subordination Agent, together with a legal opinion opining that such Replacement Liquidity Facility is an enforceable obligation of such Replacement Liquidity Provider.

(iv) Upon satisfaction of the conditions set forth in clauses (iii) and (iv) of this Section 3.05(e) with respect to a Replacement Liquidity Facility, (1) the replaced Liquidity Facility shall terminate, (2) the Subordination Agent shall, if and to the extent so requested by FedEx or the Liquidity Provider being replaced, execute and deliver any certificate or other instrument required in order to terminate the replaced Liquidity Facility, shall surrender the replaced Liquidity Facility to the Liquidity Provider being replaced and shall execute and deliver the Replacement Liquidity Facility and any associated Fee Letter, (3) each of the parties hereto shall enter into any amendments to this Agreement necessary to give effect to (a) the replacement of the applicable Liquidity Provider with the applicable Replacement Liquidity Provider and (b) the replacement of the applicable Liquidity Facility with the applicable Replacement Liquidity Facility, and (4) the applicable Replacement Liquidity Provider shall be deemed to be a Liquidity Provider with the rights and obligations of a Liquidity Provider hereunder and under the other Operative Agreements and such Replacement Liquidity Facility shall be deemed to be a Liquidity Facility hereunder and under the other Operative Agreements.

(e) Cash Collateral Accounts; Withdrawals; Investments. In the event the Subordination Agent shall draw all Available Amounts under the Class AA Liquidity Facility pursuant to Section 3.05(c), 3.05(d), 3.05(i) or 3.05(k), or in the event amounts are to be deposited in the Class AA Cash Collateral Account pursuant to subclause (A) or (B) of clause "fourth" of Section 3.02, amounts so drawn or to be deposited, as the case may be, shall be deposited by the Subordination Agent in the Class AA Cash Collateral Account. All amounts on deposit in the Class AA Cash Collateral Account shall be invested and reinvested in Eligible Investments in accordance with Section 2.02(b).

On each Interest Payment Date (or, in the case of any Special Distribution Date with respect to the distribution of a Special Payment, on such Special Distribution Date), Investment Earnings on amounts on deposit in the Class AA Cash Collateral Account with respect to the Class AA Liquidity Facility (or in the case of any Special Distribution Date with respect to the distribution of a Special Payment, so long as no Indenture Event of Default shall have occurred and be continuing under any Indenture, a fraction of such Investment Earnings equal to the Section 2.04 Fraction) shall be deposited in a sub-account of the Collection Account (or, in the case of any Special Distribution Date with respect to the distribution of a Special Payment, a sub-account of the Special Payments Account) and applied on such Interest Payment Date (or Special Distribution Date, as the case may be) in accordance with Section 3.02 or 3.03 (as applicable). The Subordination Agent shall deliver a written statement to FedEx and the Liquidity Providers 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. 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 AA Certificates (at the Stated Interest Rate for the Class AA Certificates) after giving effect to the subordination provisions of this Agreement, withdraw from the Class AA Cash Collateral Account, and pay to the Class AA Trustee, an amount equal to the lesser of (x) an amount necessary to pay accrued and unpaid interest (at the Stated Interest Rate for the Class AA Certificates) on the Class AA Certificates and (y) the amount on deposit in the Class AA Cash Collateral Account;

(ii) [Reserved];

(iii) on each date on which the Pool Balance of the Class AA Trust shall have been reduced by payments made to the Class AA Certificateholders pursuant to Section 3.02 hereof, the Subordination Agent shall withdraw from the Class AA 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 Class AA Cash Collateral Account resulting from a prior withdrawal of amounts on deposit in the Class AA 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 (with respect to the Class AA Liquidity Facility) plus (if on a Distribution Date not coinciding with an Interest Payment Date) Investment Earnings on deposit in such Cash Collateral Account (after giving effect to any such transfer of Investment Earnings) will remain on deposit in the Class AA Cash Collateral Account and shall first, pay such withdrawn amount to the Class AA Liquidity Provider until the Class AA Liquidity Obligations owing to such Liquidity Provider shall have been paid in full, and second, deposit any remaining withdrawn amount in the Collection Account;

(iv) [Reserved];

(v) if a Replacement Liquidity Facility for any relevant Class of Certificates shall be delivered to the Subordination Agent following the date on which funds have been deposited into the Cash Collateral Account for such Class of Certificates, the Subordination Agent shall withdraw all amounts remaining on deposit in such Cash Collateral Account and shall pay such amounts to the replaced Liquidity Provider, if any, until all Liquidity Obligations owed to such Person shall have been paid in full, and deposit any remaining amount in the Collection Account;

(vi) if the Liquidity Provider with respect to a Downgraded Facility satisfies the Threshold Rating and delivers written notice to such effect to the Subordination Agent and FedEx, on the second Business Day following receipt of such notice, the Subordination Agent shall withdraw all amounts remaining on deposit in the applicable Cash Collateral Account constituting the unapplied amount of any Downgrade Drawing and shall pay such amounts to such Liquidity Provider and the obligations of such Liquidity Provider shall be reinstated in accordance with the applicable Liquidity Facility; and

(vii) following (x) the payment of Final Distributions or (y) the Final Legal Distribution Date with respect to any Class of Certificates covered by a Liquidity Facility, on the date on which the Subordination Agent shall have been notified by the Liquidity Provider for such Class of Certificates that the Liquidity Obligations owed to such Liquidity Provider have been paid in full, or, if earlier, the first Business Day after such Final Legal Distribution Date, the Subordination Agent shall withdraw all amounts on deposit in the Cash Collateral Account in respect of such Class of Certificates, if any, and shall pay such amounts to the Class AA Liquidity Provider.

(f) Reinstatement. With respect to any Interest Drawing under the Liquidity Facility for any relevant Class, upon the reimbursement of the applicable Liquidity Provider for all or any part of the amount of such Interest Drawing, together with any accrued interest thereon, the Available Amount of such Liquidity Facility shall be reinstated by an amount equal to the amount of such Interest Drawing so reimbursed to the applicable Liquidity Provider but not to exceed the Stated Amount for such Liquidity Facility; provided, however, that the Available Amount of such Liquidity Facility shall not be so reinstated in part or in full pursuant to the foregoing provisions of this Section 3.05(g) at any time if (x) both a Performing Note Deficiency exists and a Liquidity Event of Default shall have occurred and be continuing with respect to the relevant Liquidity Facility or (y) a Final Drawing, Downgrade Drawing, Non-Extension Drawing or Special Termination Advance shall have occurred with respect to such Liquidity Facility or an Interest Drawing shall have been converted into a Final Drawing. Notwithstanding anything to the contrary, in the event that, with respect to any particular Liquidity Facility, (i) funds are withdrawn from the related Cash Collateral Account pursuant to clause (i) or (ii) of Section 3.05(f) or (ii) such Liquidity Facility shall become a Downgraded Facility or a Non-Extended Facility at a time when unreimbursed Interest Drawings under such 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 both a Performing Note Deficiency exists and a Liquidity Event of Default shall have occurred and be continuing with respect to such Liquidity Facility or (y) any time after a Final Drawing shall have occurred with respect to such Liquidity Facility or an Interest Drawing for such Liquidity Facility shall have been converted into a Final Drawing, shall be deposited in such Cash Collateral Account as and to the extent provided in clause “fourth” of Section 3.02 and applied in accordance with Section 3.05(f).

(g) Reimbursement. The amount of each drawing under any Liquidity Facility shall be due and payable, together with interest thereon, on the dates and at the rates, respectively, provided in such Liquidity Facility.

(h) Final Drawing. Upon receipt from a Liquidity Provider of a Termination Notice with respect to its applicable Liquidity Facility, the Subordination Agent shall, not later than the date specified in such Termination Notice, in accordance with the terms of such Liquidity Facility, request a drawing under such Liquidity Facility of the Available Amount thereunder (a "Final Drawing"). Amounts drawn pursuant to a Final Drawing shall be maintained and invested in accordance with Section 3.05(f).

(i) Adjustments of Stated Amount. Promptly following each date on which the Required Amount of the Liquidity Facility for a relevant Class of Certificates is reduced as a result of a reduction in the Pool Balance with respect to such Certificates or otherwise, the Subordination Agent shall, if any such Liquidity Facility provides for reductions of the Stated Amount of such Liquidity Facility and if such reductions are not automatic, request such Liquidity Provider for such Class of Certificates to reduce such Stated Amount to an amount equal to the Required Amount with respect to such Liquidity Facility (as calculated by the Subordination Agent after giving effect to such payment). Each such request shall be made in accordance with the provisions of the applicable Liquidity Facility.

(j) Special Termination Advance. Upon receipt from a Liquidity Provider of a Special Termination Notice with respect to any Liquidity Facility, the Subordination Agent shall, not later than the date specified in such Special Termination Notice, in accordance with the terms of such Liquidity Facility, request a Special Termination Advance under such Liquidity Facility. Amounts drawn pursuant to a Special Termination Advance shall be maintained and invested in accordance with Section 3.05(f) hereof.

(k) Relation to Subordination Provisions. Interest Drawings under the Liquidity Facilities and withdrawals from the Cash Collateral Accounts, in each case, in respect of interest on the Certificates of any Class, will be distributed to the Trustee for such Class of Certificates, notwithstanding Sections 2.01(b) and 3.02.

(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) FedEx shall have consented to such assignment and (ii) each Rating Agency shall have provided a Ratings Confirmation with respect to each Class of Certificates then rated by such Rating Agency in connection with such assignment; provided, that the Subordination Agent shall consent to such assignment if the conditions in the foregoing clauses (i) and (ii) are satisfied, and the foregoing is not intended to and shall not be construed to limit the rights of any initial Liquidity Provider under Section 3.05(e)(ii).

ARTICLE IV

EXERCISE OF REMEDIES

Section 4.01 Directions from the Controlling Party. (a) (i) Following the occurrence and during the continuation of an Indenture Event of Default under any Indenture, the Controlling Party shall direct the Subordination Agent, as the holder of the Equipment Notes issued under such Indenture, which in turn shall direct the Loan Trustee under such Indenture, in the exercise of remedies available to the holders of such Equipment Notes, including, without limitation, the ability to vote all such Equipment Notes held by the Subordination Agent in favor of Accelerating such Equipment Notes in accordance with the provisions of such Indenture. Subject to Section 4.01(a)(iii), if the Equipment Notes issued pursuant to any Indenture have been Accelerated following an Indenture Event of Default with respect thereto, the Controlling Party may direct the Subordination Agent to sell, assign, contract to sell or otherwise dispose of and deliver all (but not less than all) of such 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 the Controlling Party may reasonably deem advisable and in accordance with applicable law.

(i) Following the occurrence and during the continuation of an Indenture Event of Default under any Indenture, in the exercise of remedies pursuant to such Indenture, the Loan Trustee under such Indenture may be directed to lease the related Aircraft to any Person (including FedEx) so long as the Loan Trustee in doing so acts in a "commercially reasonable" manner within the meaning of Article 9 of the Uniform Commercial Code as in effect in any applicable jurisdiction (including Sections 9-610 and 9-627 thereof).

(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 issued pursuant to any Indenture or (y) the occurrence of a FedEx Bankruptcy Event, without the consent of each Trustee (other than the Trustee of any Trust all of the Certificates of which are held or beneficially owned by FedEx and/or its Affiliates), no Aircraft subject to the Lien of such Indenture or such Equipment Notes may be sold if the net proceeds from such sale would be less than the Minimum Sale Price for such Aircraft or such Equipment Notes.

(iii) Upon the occurrence and continuation of an Indenture Event of Default under any Indenture, the Subordination Agent will obtain a desktop appraisal from each of the three Appraisers selected by the Controlling Party setting forth the current market value, current lease rate and distressed value (in each case, as defined by the International Society of Transport Aircraft Trading or any successor organization) of the Aircraft subject to such Indenture (each such appraisal, an "Appraisal" and the current market value appraisals being referred to herein as the "Post-Default Appraisals"). For so long as any Indenture Event of Default shall be continuing under any Indenture, and without limiting the right of the Controlling Party to request more frequent Appraisals, the Subordination Agent will obtain updated Appraisals on the date that is 364 days from the date of the most recent Appraisal (or if a FedEx Bankruptcy Event shall have occurred and is continuing, on the date that is 180 days from the date of the most recent Appraisal) and shall (acting on behalf of each Trustee) post such Appraisals on DTC's Internet bulletin board or make such other commercially reasonable efforts as the Subordination Agent may deem appropriate to make such Appraisals available to all Certificateholders.

(b) Following the occurrence and during the continuance of an Indenture Event of Default under any Indenture, the Controlling Party shall take such actions as it may reasonably deem most effectual to complete the sale or other disposition of the relevant Aircraft or 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 such Equipment Notes and continue to apply monies received in respect of such 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 direct the Subordination Agent to, subject to the terms and conditions of the related Indenture, instruct the Loan Trustee under such Indenture to foreclose on the Lien on the related Aircraft or to take any other remedial action permitted under such Indenture or under any applicable law.

(c) If following a FedEx Bankruptcy Event and during the pendency thereof, the Controlling Party receives a proposal from or on behalf of FedEx to restructure the financing of any one or more of the Aircraft, the Controlling Party shall promptly thereafter give the Subordination Agent, each Trustee and each Liquidity Provider that has not made a Final Drawing notice of the material economic terms and conditions of such restructuring proposal whereupon the Subordination Agent acting on behalf of each Trustee shall post such terms and conditions of such restructuring proposal on DTC's Internet bulletin board or make such other commercially reasonable efforts as the Subordination Agent may deem appropriate to make such terms and conditions available to all Certificateholders. Thereafter, neither the Subordination Agent nor the Class AA Trustee, whether acting on instructions of the Controlling Party or otherwise, may, without the consent of each Trustee and each Liquidity Provider that has not made a Final Drawing, enter into any term sheet, stipulation or other agreement (a "Restructuring Arrangement") (whether in the form of an adequate protection stipulation, an extension under Section 1110(b) of the Bankruptcy Code or otherwise) to effect any such restructuring proposal with or on behalf of FedEx unless and until the material economic terms and conditions of such restructuring proposal shall have been made available to all Certificateholders and each Liquidity Provider that has not made a Final Drawing for a period of not less than 15 days (except that such requirement shall not apply to any such term sheet, stipulation or other agreement that is to be effective on or as of any date occurring during the 60-Day Period and that is initially effective for a period not exceeding three months from the expiry of the 60-Day Period (an "Interim Restructuring Arrangement")). The foregoing provisions of this Section 4.01(c): (i) shall not apply to any extension of a Restructuring Arrangement with respect to which such provisions have been complied with in connection with the original entry thereof if the possibility of such extension has been disclosed in satisfaction of the notification requirements of such provisions and such extension shall not amend or modify any of the other terms and conditions of such Restructuring Arrangement and (ii) shall apply to the initial extension of an Interim Restructuring Arrangement beyond the three months following the expiry of the 60-Day Period but not to any subsequent extension of such Interim Restructuring Arrangement, if the possibility of such subsequent extension has been disclosed in satisfaction of the notification requirements of such provisions and such subsequent extension shall not amend or modify any of the other terms and conditions of such Interim Restructuring Arrangement. In the event that any Certificateholder gives irrevocable notice of the exercise of its right to purchase all (but not less than all) of the Class of Certificates represented by the then Controlling Party pursuant to the applicable Trust Agreement, prior to the expiry of the 15-day notice period specified above, such Controlling Party may not direct the Subordination Agent or any Trustee to enter into any such restructuring proposal with respect to any of the Aircraft, unless and until such Certificateholder shall fail to purchase such Class of Certificates on the date that it is required to make such purchase.

Section 4.02 Remedies Cumulative. To the extent permitted by applicable law, each and every right, power and remedy given to the Class AA Trustee, the Class AA Liquidity 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 Controlling Party or the Subordination Agent, as appropriate, and the exercise or the beginning of the exercise of any right, 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 Controlling Party or the Subordination Agent in the exercise of any right, remedy or power or in the pursuit of any remedy shall, to the extent permitted by applicable law, impair any such right, power or remedy or be construed to be a waiver of any default or to be an acquiescence therein.

Section 4.03 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 4.04 Right of Certificateholders and the Liquidity Provider to Receive Payments Not to Be Impaired. Anything in this Agreement to the contrary notwithstanding but subject to the applicable Trust Agreement, the right of any Certificateholder or the Class AA Liquidity Provider, respectively, to receive payments hereunder (including, without limitation, pursuant to Section 3.02) 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 or such Liquidity Provider, respectively.

ARTICLE V

DUTIES OF THE SUBORDINATION AGENT; AGREEMENTS OF TRUSTEE, ETC.

Section 5.01 Notice of Indenture Event of Default or Triggering Event

. (a) If the Subordination Agent shall have knowledge of an Indenture Event of Default or a Triggering Event, the Subordination Agent shall promptly give notice thereof to the Rating Agencies, FedEx, the Liquidity Providers and each Trustee by telegram, cable, facsimile or telephone (to be promptly confirmed in writing), unless such Indenture Event of Default or Triggering Event shall have been cured or waived. For all purposes of this Agreement, in the absence of actual knowledge, the Subordination Agent shall not be deemed to have knowledge of any Indenture Event of Default or Triggering Event unless notified in writing by FedEx, one or more Trustees, the Liquidity Providers or one or more Certificateholders; and "actual knowledge" (as used in the foregoing clause) of the Subordination Agent shall mean actual knowledge of a Responsible Officer of the Subordination Agent.

(a) Other Notices. The Subordination Agent will furnish to the Liquidity Providers and the 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 the Liquidity Providers or the Trustee, as applicable, pursuant to any other Operative Agreement.

(b) Securities Position. Upon the occurrence of an Indenture Event of 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.

(c) Reports. Promptly after the occurrence of a Triggering Event or an Indenture Event of Default resulting from the failure of FedEx to make payments on any Equipment Note and on every Regular Distribution Date while the Triggering Event or such Indenture Event of Default shall be continuing, the Subordination Agent will provide to the Trustees, the Liquidity Providers, the Rating Agencies and FedEx a statement setting forth the following information:

(i) after a FedEx Bankruptcy Event, with respect to each Aircraft, whether such Aircraft is (A) subject to the 60-Day Period, (B) subject to an election by FedEx 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 FedEx, (A) whether the Aircraft are currently in service or parked in storage, (B) the maintenance status of the Aircraft and (C) the location of the Engines (as defined in the Indentures);

(iii) the current Pool Balance of each Class of Certificates, the Eligible A Pool Balance 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 Aircraft and party);

(vii) if the Subordination Agent has made a Final Drawing or a Special Termination Advance under any Liquidity Facility;

(viii) the amounts currently owed to each Liquidity Provider;

(ix) the amounts drawn under each Liquidity Facility; and

(x) after a FedEx Bankruptcy Event, any operational reports filed by FedEx with the bankruptcy court which are available to the Subordination Agent on a non-confidential basis.

Section 5.02 Indemnification. The Subordination Agent shall not be required to take any action or refrain from taking any action under Article IV unless the Subordination Agent shall have received indemnification against any risks that may be incurred in connection therewith in form and substance reasonably satisfactory to it, including, without limitation, adequate advances against costs (including fees and expenses) that may be incurred by it in connection therewith. The Subordination Agent shall not be required to take any action under Article IV, nor shall any other provision of this Agreement or any other Operative Agreement be deemed to impose a duty on the Subordination Agent to take any action, if the Subordination Agent shall have been advised by outside counsel that such action is contrary to the terms hereof or is otherwise contrary to law. Under no circumstances shall the Subordination Agent be required to expend or risk its own funds or otherwise incur any financial liability in performing its duties or exercising its rights or powers hereunder if it shall have reasonable grounds for believing that repayment of such funds is not assured to it.

Section 5.03 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) promptly take such action as may be necessary to discharge duly all Liens on any of the Trust Accounts or any monies deposited therein that are attributable to the Subordination Agent in its individual capacity and that are unrelated to the transaction contemplated hereby and by the other Operative Agreements.

Section 5.04 Notice from the Liquidity Provider and Trustee. If the Class AA Liquidity Provider or Class AA Trustee has notice of an Indenture Event of Default or a Triggering Event, such Person shall promptly give notice thereof to all other Liquidity Providers 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 6.01 Authorization; Acceptance of Trusts and Duties. The Class AA Trustee hereby designates and appoints the Subordination Agent as the agent and trustee of the Class AA Trustee under the Class AA Liquidity Facility (if any) and authorizes the Subordination Agent to enter into the Class AA Liquidity Facility as agent and trustee for the Class AA Trustee. The Class AA Liquidity Provider and the Class AA Trustee hereby designates and appoints the Subordination Agent as the Subordination Agent under this Agreement. WTC accepts the trusts and duties hereby created and applicable to it and agrees to perform such duties, but only upon the terms of this Agreement and agrees to receive, handle and disburse all monies received by it in accordance with the terms hereof. The Subordination Agent shall have no liability hereunder or any other Operative Agreement except (a) for its own willful misconduct or negligence, (b) as provided in Section 2.02 and the last sentence of Section 5.03, (c) for liabilities that may result from the inaccuracy of any representation or warranty of the Subordination Agent made in its individual capacity in any Operative Agreement and (d) as otherwise expressly provided herein or in the other Operative Agreements.

Section 6.02 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 6.03 No Representations or Warranties as to Documents. The Subordination Agent shall not 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 herein or therein (other than the representations and warranties of the Subordination Agent made in its individual capacity under any Operative Agreement), except that the Subordination Agent hereby represents and warrants that each of said specified documents to which it is a party has been or will be duly executed and delivered by one of its officers who is and will be duly authorized to execute and deliver such document on its behalf. The Certificateholders, the Class AA Trustee and the Class AA Liquidity Provider make no representation or warranty hereunder whatsoever.

Section 6.04 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 or any Liquidity Provider as provided in Articles II and III 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 2.02) 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 6.05 Reliance; Agents; Advice of Counsel. The Subordination Agent 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. 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 a Liquidity Provider or the Trustee 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 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. In the administration of the trusts hereunder, the Subordination Agent may (a) execute any of the trusts or powers hereof and perform its powers and duties hereunder directly or through agents or attorneys and (b) consult with counsel, accountants and other skilled Persons to be selected and retained by it. The Subordination Agent shall not be liable for anything done, suffered or omitted in good faith by it in accordance with the advice or opinion of any such counsel, accountants or other skilled Persons acting within such counsel's, accountants' or Person's area of competence (so long as the Subordination Agent shall have exercised reasonable care and judgment in selecting such Persons).

Section 6.06 Capacity in Which Acting. The Subordination Agent acts hereunder and under the other Operative Agreements solely as agent or trustee herein and not in its individual capacity, except as otherwise expressly provided herein and in the Operative Agreements.

Section 6.07 Compensation. The Subordination Agent shall be entitled to such compensation, including reasonable expenses and disbursements, for all services rendered hereunder as FedEx and the Subordination Agent may agree from time to time in writing and shall have a priority claim to the extent set forth in Article III 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 or any Liquidity Provider for any fee as compensation for its services as agent under this Agreement. The provisions of this Section 6.07 shall survive the termination of this Agreement.

Section 6.08 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 6.09 Subordination Agent Required; Eligibility. There shall at all times be a Subordination Agent hereunder that is a Citizen of the United States, a bank, trust company or other financial institution organized and doing business under the laws of the United States or any state thereof and eligible to act as a trustee under Section 310(a) of the Trust Indenture Act of 1939, as amended, and that has a combined capital and surplus of at least $75,000,000 (or a combined capital and surplus in excess of $5,000,000 and the obligations of which, whether now in existence or hereafter incurred, are fully and unconditionally guaranteed by a corporation organized under the laws of the United States or any State or territory thereof or the District of Columbia and having a combined capital and surplus of at least $75,000,000). If such bank, trust company or other financial institution or such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of federal, state, territorial or District of Columbia supervising or examining authority, then for the purposes of this Section 6.09 the combined capital and surplus of such bank, trust company or other financial institution or 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 6.09, the Subordination Agent shall resign immediately in the manner and with the effect specified in Section 7.01.

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 and the Subordination Agent, in its individual capacity, hereby waives all rights of set-off and counterclaim with respect to all such property.

Section 6.11 Notice of Substitution or Replacement of Airframe. If the Subordination Agent, in its capacity as a holder of Equipment Notes issued under an Indenture, receives a notice of substitution of a Substitute Airframe pursuant to Section 7.04(e) of such Indenture or a notice of delivery of a Replacement Airframe pursuant to Section 7.05(a) of such Indenture, the Subordination Agent shall promptly (i) provide a copy of such notice to each Trustee, each Liquidity Provider and each Rating Agency and (ii) direct each Trustee to post such notice on DTC's Internet bulletin board or make such other commercially reasonable efforts as the Subordination Agent may deem appropriate to make the contents of such notice available to all Certificateholders.

ARTICLE VII

SUCCESSOR SUBORDINATION AGENT

Section 7.01 Replacement of Subordination Agent; Appointment of Successor. (a) The Subordination Agent or any successor thereto must resign if at any time it fails to comply with Section 6.09 and may resign at any time without cause by giving 60 days' prior written notice to FedEx, the Class AA Trustee and the Class AA Liquidity Provider. The Controlling Party or FedEx (only so long as no Indenture Event of Default has occurred or is continuing) may remove the Subordination Agent for cause by so notifying the Subordination Agent and may appoint a successor Subordination Agent. The Controlling Party (or the party that would be the Controlling Party if an Indenture Event of Default had occurred) shall remove the Subordination Agent if:

(1) the Subordination Agent fails to comply with Section 6.09;

(2) the Subordination Agent is adjudged bankrupt or insolvent or files a bankruptcy petition;

(3) a receiver of the Subordination Agent shall be appointed or any public officer shall take charge or control of the Subordination Agent or its property or affairs for the purpose of rehabilitation, conservation or liquidation; 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 (or the party that would be the Controlling Party if an Indenture Event of Default had occurred) shall promptly appoint a successor Subordination Agent. If a successor Subordination Agent shall not have been appointed within 60 days after such notice of resignation or removal, the retiring Subordination Agent, the Class AA Trustee or the Class AA Liquidity Provider may petition any court of competent jurisdiction for the appointment of a successor Subordination Agent to act until such time, if any, as a successor shall have been appointed as provided above.

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 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 FedEx, the Class AA Liquidity Provider and the Class AA Trustee. The retiring Subordination Agent shall promptly transfer its rights under the Class AA Liquidity Facility and all of the property and all books and records, or true, complete and correct copies thereof, held by it as Subordination Agent to the successor Subordination Agent.

If the Subordination Agent fails to comply with Section 6.09 (to the extent applicable), the Class AA Trustee or the Class AA Liquidity Provider may petition a 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 with respect to each Class of Certificates then rated by the Rating Agencies.

(b) Any corporation, bank, trust company or other financial institution into which the Subordination Agent may be merged or converted or with which it may be consolidated, or any corporation, bank, trust company or other financial institution resulting from any merger, conversion or consolidation to which the Subordination Agent shall be a party, or any corporation, bank, trust company or other financial institution succeeding to all or substantially all of the corporate trust business of the Subordination Agent, shall be the successor of the Subordination Agent hereunder, provided that such corporation, bank, trust company or other financial institution shall be otherwise qualified and eligible under Section 6.09, without the execution or filing of any paper or any further act on the part of any of the parties hereto, except that such corporation, bank, trust company or other financial institution shall give prompt notice of such transaction to the Class AA Liquidity Provider and FedEx.

ARTICLE VIII

SUPPLEMENTS AND AMENDMENTS

Section 8.01 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 3.05(e)(v) or any amendment contemplated by the last sentence of this Section 8.01(a), with the consent of holders of Outstanding Certificates of the related Class evidencing Fractional Undivided 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 (including, without limitation, without the consent of the Certificateholders to the extent permitted thereby, Section 9.01 thereof)), the Subordination Agent and each Liquidity Provider; provided, however, that this Agreement may be supplemented, amended or modified by a written agreement (including by way of an amendment and restatement) of FedEx and the Subordination Agent (which will execute such agreement as directed by FedEx, to the extent such amendment is in accordance with this Section 8.01(a)) without the consent of any Trustee or any Liquidity Provider (i) in order to cure any ambiguity or omission or to correct any mistake, (ii) in order to make any other provision in regard to matters or questions arising hereunder that will not materially adversely affect the interests of any Trustee or the holders of the related Class of Certificates or any Liquidity Provider (provided, that the consent of any Trustee or Liquidity Provider shall be required only if such Trustee's interests (or the interests of the holders of the related Class of Certificates) or such Liquidity Provider's interests, respectively, will be materially adversely affected), (iii) in order to give effect to substitution of any Aircraft pursuant to Section 7.04(f) of the related Indenture and other matters incidental thereto or (iv) if such supplement, amendment or modification is in accordance with Section 8.01(c) or 8.01(d); provided further, however, that, if such supplement, amendment or modification (x) would directly or indirectly amend, modify or supersede, or otherwise conflict with, Section 2.02(b), 3.05(c), 3.05(e), 3.05(f), 3.05(m), 4.01(a)(ii) or 4.01(c), this proviso of Section 8.01(a), the last sentence of Section 8.01(a) or Section 8.01(c), 8.01(d) or 9.06 (collectively, the "FedEx Provisions"), (y) would otherwise adversely affect the interests of any potential Replacement Liquidity Provider or of FedEx with respect to FedEx's ability to replace any Liquidity Facility or with respect to FedEx's payment obligations under any Operative Agreement or (z) is made pursuant to the last sentence of this Section 8.01(a) or pursuant to Section 8.01(c) or pursuant to Section 8.01(d), then such supplement, amendment or modification shall not be effective without the additional written consent of FedEx. Notwithstanding the foregoing, without the consent of each Certificateholder affected thereby and each Liquidity 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 the last sentence of this Section 8.01(a) or Section 8.01(c) or Section 8.01(d), modify Section 2.04, 3.02 or 3.03 hereof or any other provision relating to the distribution of monies received by the Subordination Agent hereunder from the Equipment Notes or pursuant to the Liquidity Facilities. Nothing contained in this Section 8.01(a) 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 Liquidity Facility for any Liquidity Facility is to be comprised of more than one instrument as contemplated by the definition of the term "Replacement Liquidity Facility", then each party hereto agrees to amend this Agreement and the other Operative Agreements to incorporate appropriate mechanics for multiple instruments for such Replacement Liquidity Facility for a single Trust (including without limitation clauses (i) and (ii) of Section 2.04(a) and clauses "first" through "fifth" of Section 3.02, in each case, with respect to the Replacement Liquidity Provider of such Replacement Liquidity Facility).

(a) In the event that the Subordination Agent, as the registered holder of any Equipment Notes, receives a request for the giving of notice or its consent to any amendment, supplement, modification, approval, consent or waiver under such Equipment Notes, the Indenture pursuant to which such Equipment Notes were issued, the related Participation Agreement or other related document, (i) if no Indenture Event of Default shall have occurred and be continuing with respect to such Indenture, the Subordination Agent shall request directions with respect to each series of such Equipment Notes from the Trustee of the Trust which holds such Equipment Notes and shall vote or consent in accordance with the directions of such Trustee and (ii) if any Indenture Event of 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 4.01 and 4.04. Notwithstanding the foregoing, without the consent of each Liquidity Provider and each affected Certificateholder holding Certificates representing a Fractional Undivided Interest in the Equipment Notes under the applicable Indenture held by the Subordination Agent, no such amendment, supplement, modification, approval, consent or waiver shall (i) reduce the principal amount of, Premium, if any, or interest on, any such Equipment Note under such Indenture (other than any change in the principal amount of any such Equipment Note in connection with any substitution pursuant to Section 7.04(f) of such Indenture); (ii) change the date on which any principal amount of, Premium, if any, or interest on any such Equipment Note under such Indenture, is due or payable; (iii) create any Lien with respect to the Collateral subject to such Indenture prior to *or pari passu* with the Lien thereon under such Indenture except such as are permitted by such Indenture; provided that, without the consent of each Certificateholder, no such amendment, supplement, modification, approval, consent or waiver shall modify Section 3.03 or Section 9.02(a)(3) of such Indenture or deprive any Certificateholder of the benefit of the Lien of such Indenture on such Collateral, except as provided in connection with the exercise of remedies under Article IV of such Indenture or as otherwise permitted by such Indenture; (iii) reduce the percentage of the outstanding principal amount of the Equipment Notes under such Indenture the consent of whose holders is required for any supplemental agreement, or the consent of whose holders is required for any waiver of compliance with certain provisions of such Indenture or of certain defaults thereunder or their consequences provided for in such Indenture; or (v) make any change in Section 4.05 or Section 9.02 of such Indenture, except to provide that certain other provisions of such Indenture cannot be modified or waived without the consent of each holder of an Equipment Note under such Indenture affected thereby.

(b) If (x) any series of Additional Equipment Notes, with respect to all of the Aircraft for which such series of Additional Equipment Notes are at the time outstanding, are redeemed and new Equipment Notes of a corresponding series are to be issued with respect to any or all of the Aircraft under the applicable Indentures or (y) at any time following the payment in full at maturity or otherwise of the series of Additional Equipment Notes with respect to all of the Aircraft for which such series of Additional Equipment Notes are at the time outstanding and new Equipment Notes of a corresponding series are to be issued with respect to any or all of the Aircraft under the applicable Indentures, in each case in accordance with the terms of Section 2.02 of each such Indenture, such series of new Equipment Notes in each case (the "Refinancing Equipment Notes") shall be issued to a new pass through trust (a "Refinancing Trust") that issues a class of pass through certificates (the "Refinancing Certificates") to certificateholders (each, a "Refinancing Certificateholder") pursuant to a pass through trust agreement (a "Refinancing Trust Agreement") with a trustee (a "Refinancing Trustee"). A Refinancing Trust, a Refinancing Trustee and the Refinancing Certificates shall be subject to all of the provisions of this Agreement in the same manner as the Trust, the Trustee and the Certificates of the Class corresponding to the series of the refinanced Equipment Notes, including, the subordination of the Refinancing Certificates to the extent provided herein to in the case of any Refinancing Certificates issued in respect of any Additional Certificates, the Administration Expenses, the Liquidity Obligations, the Class AA Certificates, and, if applicable, any other class of Additional Certificates that rank senior, in priority of payment of "Expected Distributions" under this Agreement, to such Refinancing Certificates. Such issuance of Refinancing Equipment Notes and Refinancing Certificates and the amendment of this Agreement as provided below shall require Ratings Confirmation with respect to each Class of Certificates then rated by the Rating Agencies and shall not materially adversely affect the Trustee in its individual capacity or the Liquidity Providers. This Agreement shall be amended by written agreement of FedEx and the Subordination Agent to give effect to the issuance of any Refinancing Certificates subject to the following terms and conditions:

(i) the Refinancing Trustee shall be added as a party to this Agreement;

(ii) the definitions of "Certificate", "Class", "Final Legal Distribution Date", "Trust", "Trust Agreement" and "Controlling Party" (and such other applicable definitions) shall be revised, as appropriate, to reflect such issuance (and the subordination, as applicable, of the Refinancing Certificates and the Refinancing Equipment Notes);

(iii) the Refinancing Certificates may have the benefit of credit support similar to the Class AA Liquidity Facility or different therefrom and claims for fees, interest, expenses, reimbursement of advances and other obligations arising from such credit support (A) in the case of any Refinancing Certificates issued in respect of any class of Additional Certificates generally subordinated to the Class AA Certificates (but not to any other class of Additional Certificates), may rank *pari passu* with similar claims in respect of the Class AA Liquidity Facility and (B) in the case of any Refinancing Certificates issued in respect of any class of Additional Certificates to which clause (A) is not applicable, shall be subordinated to the Administration Expenses and the Liquidity Obligations relating to each of the Class AA Certificates and any more senior, in priority of "Expected Distributions" under this Agreement, class of Additional Certificates; provided that, (x) in each case, Ratings Confirmation with respect to each Class of Certificates then rated by the Rating Agencies shall have been obtained and (y) (1) in the case of clause (A) the prior written consent of the Class AA Liquidity Provider shall have been obtained and (2) in the case of clause (B) the prior written consent of the Class AA Liquidity Provider and any other liquidity providers in respect of any class of Additional Certificates that is more senior, in priority of "Expected Distributions" under this Agreement, to such class of Additional Certificates, shall have been obtained;

(iv) the Refinancing Certificates cannot be issued to FedEx but may be issued to any of FedEx's Affiliates (other than Parent) so long as such Affiliate shall have bankruptcy remote and special purpose provisions in its certificate of incorporation or other organizational documents and any subsequent transfer of such Refinancing Certificates from such Affiliate to any other Affiliate of FedEx shall be similarly restricted; and

(v) the scheduled payment dates on the Refinancing Equipment Notes shall be the Regular Distribution Dates.

The issuance of the Refinancing Certificates in compliance with all of the foregoing terms in clauses (i) to (v) of this Section 8.01(c), and any amendment of any Parent Guarantee described in Section 9.03 of the Indentures, shall be deemed to not materially adversely affect any of the Class AA Trustee's rights and obligations and shall not require the consent of any Trustee or the holders of any Class of Certificates. The Class AA Liquidity Provider hereby agrees and confirms that it shall be deemed to consent to any issuance and amendment in accordance with this Section 8.01(c) (without prejudice to the consent rights of the Class AA Liquidity Provider described in the proviso to clause (iii) thereof) and that any such issuance and amendment shall not affect any of its respective obligations under the Class AA Liquidity Facility, provided that a condition to the issuance of any Refinancing Certificates issued in respect of a Class of Certificates with a Liquidity Facility shall be the payment in full of all amounts owed to the Class AA Liquidity Provider under the Class AA Liquidity Facility and the termination of the Liquidity Facility for the Class being refinanced upon the issuance of such Refinancing Certificates. The Subordination Agent shall deliver to each Trustee and each Liquidity Provider (other than the Liquidity Provider of such terminated Liquidity Facility) a copy of the amendments made to this Agreement and all opinions, certificates and other documents delivered in connection with the issuance of any Refinancing Certificates.

(c) Pursuant to the terms of Section 2.02 of each applicable Indenture, one or more additional series of Equipment Notes (the "Additional Equipment Notes"), which shall be subordinated in right of payment to the Series AA Equipment Notes, and, if applicable, one or more series of Additional Equipment Notes under such Indenture, may be issued at any time and from time to time with respect to any or all of the Aircraft. If any series of Additional Equipment Notes are issued under any Indenture, each such series of Additional Equipment Notes shall be issued to a new pass through trust (an "Additional Trust") that issues a class of pass through certificates (the "Additional Certificates") to certificateholders (each, an "Additional Certificateholder") pursuant to a pass through trust agreement (an "Additional Trust Agreement") with a trustee (an "Additional Trustee"). In such case, this Agreement, including without limitation Sections 2.04, 3.01 and 3.02 hereof, shall be amended by written agreement of FedEx and the Subordination Agent to provide for the subordination of such class of Additional Certificates to, and to provide for distributions on the Additional Certificates after payment of, the Administration Expenses, the Liquidity Obligations, the Class AA Certificates, and, if applicable, any other Additional Certificates that rank senior, in priority of payment of "Expected Distributions" under this Agreement, to such Additional Certificates (subject to clause (iii) below). Such issuance, and the amendment of this Agreement as provided below shall require Ratings Confirmation with respect to each Class of Certificates then rated by the Rating Agencies and shall not materially adversely affect the Class AA Trustee in its individual capacities or the Class AA Liquidity Provider. This Agreement shall be amended by written agreement of FedEx and the Subordination Agent to give effect to the issuance of any Additional Certificates subject to the following terms and conditions:

(i) the Additional Trustee shall be added as a party to this Agreement;

(ii) the definitions of "Certificate", "Class", "Equipment Notes", "Final Legal Distribution Date", "Trust", "Trust Agreement", and "Controlling Party" (and such other applicable definitions) shall be revised, as appropriate, to reflect the issuance of the Additional Certificates (and the subordination thereof);

(iii) Section 3.02 may be revised, with respect to any class of Additional Certificates, to provide for the distribution of "Adjusted Interest" for such class of Additional Certificates (calculated in a manner substantially similar to the calculation of Adjusted Interest) after the Adjusted Interest for any Additional Certificates that rank senior, in priority of payment of "Expected Distributions" under this Agreement, to such Additional Certificates but before Expected Distributions on the Class AA Certificates;

(iv) the Additional Certificates may have the benefit of credit support similar to the Class AA Liquidity Facility or different therefrom, provided that (A) claims for fees, interest, expenses, reimbursement of advances and other obligations arising from such credit support (1) may, in the case of any class of Additional Certificates generally subordinated to the Class AA Certificates (but not any other class of Additional Certificates), rank *pari passu* with similar claims in respect of the Class AA Liquidity Facility so long as the prior written consent of the Class AA Liquidity Provider shall have been obtained or (2) shall, in the case of any class of Additional Certificates to which clause (1) is not applicable, be subordinated to the Administration Expenses and the Liquidity Obligations relating to each of the Class AA Certificates and any more senior, in priority of "Expected Distributions" under this Agreement, class of Additional Certificates, and (B) Ratings Confirmation with respect to each Class of Certificates then rated by the Rating Agencies shall have been obtained;

(v) the Additional Certificates may be rated by the Rating Agencies;

(vi) the Additional Certificates cannot be issued to FedEx but may be issued to any of FedEx's Affiliates so long as such Affiliate shall have bankruptcy remote and special purpose provisions in its certificate of incorporation or other organizational documents and any subsequent transfer of such Additional Certificates from such Affiliate to any other Affiliate of FedEx shall be similarly restricted; and

(vii) the scheduled payment dates on such series of Additional Equipment Notes shall fall on a Regular Distribution Date.

The issuance of the Additional Certificates in compliance with all of the foregoing terms in clauses (i) to (vii) of this Section 8.01(d), and any amendment of any Parent Guarantee described in Section 9.03 of the Indentures, shall be deemed to not materially adversely affect any of the Class AA Trustee's rights and obligations and shall not require the consent of the Class AA Trustee or the holders of any Class of Certificates. The Class AA Liquidity Provider hereby agrees and confirms that it shall be deemed to consent to any issuance and amendment in accordance with this Section 8.01(d) (without prejudice to the consent right of the Class AA Liquidity Provider described in clause (iv)(1) thereof) and that any such issuance and amendment shall not affect any of its respective obligations under the Class AA Liquidity Facility. The Subordination Agent shall deliver to each Trustee and each Liquidity Provider a copy of the amendments made to this Agreement and all opinions, certificates and other documents delivered in connection with the issuance of any Additional Certificates.

Section 8.02 Subordination Agent Protected. If, in the reasonable opinion of the institution acting as the Subordination Agent hereunder, any document required to be executed by it pursuant to the terms of Section 8.01 adversely affects any right, duty, immunity or indemnity with respect to such institution under this Agreement or any Liquidity Facility, the Subordination Agent may in its discretion decline to execute such document.

Section 8.03 Effect of Supplemental Agreements. Upon the execution of any amendment, consent or supplement hereto pursuant to the provisions hereof, this Agreement shall be and shall be deemed to 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 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 VIII, 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 8.04 Notice to Rating Agencies. Promptly following its receipt of each amendment, consent, modification, supplement or waiver contemplated by this Article VIII, the Subordination Agent shall send a copy thereof to each Rating Agency.

ARTICLE IX

MISCELLANEOUS

Section 9.01 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 Class AA Liquidity Provider and provided that there shall then be no other amounts due to the Certificateholders, the Class AA Trustee, the Class AA Liquidity Provider and the Subordination Agent hereunder or under the Trust Agreements, and that the commitment of the Class AA Liquidity Provider under the Class AA Liquidity Facility 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 9.02 Intercreditor Agreement for Benefit of Trustee, Liquidity Provider and Subordination Agent. Subject to the second sentence of Section 9.06 and the provisions of Section 4.04 and 8.01, nothing in this Agreement, whether express or implied, shall be construed to give to any Person other than the Class AA Trustee, the Class AA Liquidity Provider and the Subordination Agent any legal or equitable right, remedy or claim under or in respect of this Agreement.

Section 9.03 Notices. Unless otherwise expressly specified or permitted by the terms hereof, all notices required or permitted under the terms and provisions of this Agreement shall be in English and in writing, and any such notice may be given by United States mail, courier service or facsimile or any other customary means of communication, and any such notice shall be effective when delivered (or, if mailed, three Business Days after deposit, postage prepaid, in the first class United States mail and, if delivered by facsimile, upon completion of transmission and confirmation by the sender (by a telephone call to a representative of the recipient or by machine confirmation) that such transmission was received),

if to the Subordination Agent, to:

Wilmington Trust Company
11 North Market Square
Wilmington, DE 19890-1605
Attention: Global Capital Market Services
Ref: FedEx 2020-1AA EETC
Telephone: [ ]
Telecopy: [ ]

if to any Trustee, to:

Wilmington Trust Company
11 North Market Square
Wilmington, DE 19890-1605
Attention: Global Capital Market Services
Ref: FedEx 2020-1AA EETC
Telephone: [ ]
Telecopy: [ ]

if to the Class AA Liquidity Provider, to:

Middle office
BNP Paribas
525 Washington Blvd # 600
Jersey City NJ 07310
United States
Attention: Luis Montanti
Email: ito.credit.mo@us.bnpparibas.com

With a copy to:

Loan Servicing Team
BNP Paribas
2001, Robert-Bourassa boulevard, Suite 900
Montreal, OC H3A 2A6
Canada
Attention: Patrizia Rizzo, Team Leader – Loan Servicing
Email: dl.nyk_ls_regional@us.bnpparibas.com

Any party, by notice to the other parties hereto, may designate additional or different addresses for subsequent notices or communications. Whenever the words "notice" or "notify" or similar words are used herein, they mean the provision of formal notice as set forth in this Section 9.03.

Section 9.04 Severability. To the extent permitted by applicable law, 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 9.05 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 9.06 Successors and Assigns. All covenants and agreements contained herein shall bind and inure to the benefit of, and be enforceable by, each of the parties hereto and the successors and permitted assigns of each, all as herein provided. In addition, the FedEx Provisions shall inure to the benefit of FedEx and its successors and permitted assigns, and (without limitation of the foregoing) FedEx is hereby constituted, and agreed to be, an express third party beneficiary of the FedEx Provisions.

Section 9.07 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 9.08 Counterparts. This Agreement may be executed in any number of counterparts (and each party shall not be required to execute the same counterpart). Each counterpart of this Agreement including a signature page or pages executed by each of the parties hereto shall be an original counterpart of this Agreement, but all of such counterparts together constitute one instrument. The parties intend that faxed signatures hereto and electronically imaged signatures such as .pdf files shall constitute original signatures and are binding on all parties. The parties' original signatures hereto shall be promptly delivered, if requested.

Section 9.09 Subordination. (a) As between the Class AA Liquidity Provider (and any additional liquidity providers in respect of any class of Refinancing Certificates or any Additional Certificates), on the one hand, and the Class AA Trustee (and any Refinancing Trustees or any Additional Trustees) and the Certificateholders (and any Refinancing Certificateholders or any Additional Certificateholders), on the other hand, and as among the Class AA Trustee (and any Refinancing Trustees or any Additional Trustees) and the related Certificateholders (and any Refinancing Certificateholders or any Additional Certificateholders) this Agreement shall be a subordination agreement for purposes of Section 510 of the Bankruptcy Code.

(a) Notwithstanding the provisions of this Agreement, if prior to the payment in full to the Class AA Liquidity Provider of all Liquidity Obligations 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 Indentures 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.

(b) If the Class AA Trustee, the Class AA Liquidity Provider or the Subordination Agent receives any payment in respect of any obligations owing or amounts distributable hereunder (or, in the case of the Class AA Liquidity Provider, in respect of the Liquidity Obligations), 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 amounts (or, in the case of the Class AA Liquidity Provider, such Liquidity Obligations) intended to be satisfied shall be revived and continue in full force and effect as if such payment had not been received.

(c) The Class AA Trustee (on behalf of itself and the holders of Certificates), the Class AA Liquidity Provider and the Subordination Agent expressly confirm and agree that the payment priorities and subordination specified in Articles II and III shall apply in all circumstances, notwithstanding (x) the fact that the obligations owed to the Class AA Trustee are secured by certain assets and the Liquidity Obligations may not be so secured or (y) the occurrence of a FedEx Bankruptcy Event or any similar event or occurrence relating to any other Person (it being expressly agreed that the payment priorities and subordination specified in Articles II and III shall apply whether or not a claim for post-petition or post-filing interest is allowed in the proceedings resulting from such FedEx Bankruptcy Event or other event or occurrence). The Trustee expressly agrees (on behalf of itself and the holders of Certificates) not to assert priority over the holders of Liquidity Obligations (except as specifically set forth in Section 3.02) due to their status as secured creditors in any bankruptcy, insolvency or other legal proceeding.

(d) The Class AA Trustee (on behalf of itself and the holders of Certificates), the Class AA Liquidity 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 Class AA Liquidity Provider, the Liquidity Obligations;

(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 Class AA Liquidity Provider, any of the Liquidity Obligations;

(iii) renew, extend, increase, alter or exchange any amounts owing to it hereunder, including, in the case of the Class AA Liquidity Provider, any of the Liquidity Obligations, or release or compromise any obligation of any obligor with respect thereto;

(iv) refrain from exercising any right or remedy, or delay in exercising any 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 Trustee, any Liquidity Provider or the Subordination Agent shall not prejudice the rights or adversely affect the obligations of any other party under this Agreement.

Section 9.10 Governing Law. **THIS AGREEMENT HAS BEEN DELIVERED IN THE STATE OF NEW YORK AND SHALL 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 9.11 Submission to Jurisdiction; Waiver of Jury Trial; Waiver of Immunity. (a) Each of the parties hereto, to the extent it may do so under applicable law, for purposes hereof and of all other Operative Agreements hereby (i) irrevocably submits itself to the non-exclusive jurisdiction of the courts of the State of New York sitting in the City of New York and to the non-exclusive jurisdiction of the United States District Court for the Southern District of New York, for the purposes of any suit, action or other proceeding arising out of this Agreement, the subject matter hereof or any of the transactions contemplated hereby brought by any party or parties hereto or thereto, or their successors or permitted assigns, (ii) waives, and agrees not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, 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 this Agreement or the subject matter hereof or any of the transactions contemplated hereby may not be enforced in or by such courts, and (iii) 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.

(a) 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. **TO THE EXTENT PERMITTED BY APPLICABLE LAW, 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.**

(b) To the extent that any Liquidity Provider or any of its properties has or may hereafter acquire any right of immunity, whether characterized as sovereign immunity or otherwise, and whether under the United States Foreign Sovereign Immunities Act of 1976 (or any successor legislation) or otherwise, from any legal proceedings, whether in the United States or elsewhere, to enforce or collect upon this Agreement, including, without limitation, immunity from suit or service of process, immunity from jurisdiction or judgment of any court or tribunal or execution of a judgment, or immunity of any of its property from attachment prior to any entry of judgment, or from attachment in aid of execution upon a judgment, the Class AA Liquidity Provider, hereby irrevocably and expressly waives any such immunity, and agrees not to assert any such right or claim in any such proceeding, whether in the United States or elsewhere.

Section 9.12 Non-Petition. The Class AA Liquidity Provider covenants that until one year and one day after the Equipment Notes have been paid in full, it shall not acquiesce, petition or otherwise invoke or cause or join in invoking or causing any Trust or any other Person to invoke the process of any governmental authority for the purpose of commencing or sustaining a case (whether voluntary or not) against such Trust under any bankruptcy, insolvency or similar law or appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official of such Trust or any substantial part of its property or ordering the winding up or liquidation of the affairs of such Trust.

Section 9.13 U.S.A. Patriot Act. The parties hereto acknowledge that in accordance with Section 326 of the U.S.A. Patriot Act, the Subordination Agent, like all financial institutions, in order to help fight the funding of terrorism and money laundering, is required to obtain, verify and record information that identifies each person or legal entity that establishes a relationship or opens an account with the Subordination Agent. Each party to this Agreement agrees for itself that it will provide the Subordination Agent with such information relating to such party as it may reasonably request in order for the Subordination Agent to satisfy the requirements of the U.S.A. Patriot Act.

Section 9.14 Certain Tax Considerations.

The parties agree to treat FedEx as the beneficial owner for U.S. federal income tax purposes of any (i) investments of funds on deposit in the Cash Collateral Accounts pursuant to Section 3.05(f) and (ii) investments which could give rise to any Investment Earnings subject to Section 3.03(b), and accordingly agree to report any income or losses from such investments as income or loss of FedEx for U.S. federal, state and local income tax purposes.

[*Remainder of Page Intentionally Left Blank*]

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

WILMINGTON TRUST COMPANY, as Trustee for the Class AA Trust

By: /s/ Adam R. Vogelsong
Name: Adam R. Vogelsong
Title: Vice President

WILMINGTON TRUST COMPANY, as Subordination Agent

By: /s/ Adam R. Vogelsong
Name: Adam R. Vogelsong
Title: Vice President

BNP PARIBAS, acting through its New York branch, as Class AA Liquidity Provider

By: /s/ Advait Josh
Name: Advait Josh
Title: Director

By: /s/ Chris Fukouka
Name: Chris Fukouka
Title: Vice President

ANNEX A to
INTERCREDITOR AGREEMENT (2020-1)

AIRCRAFT

No.	U.S. Registration No.	Airframe Manufacturer	Airframe Model (including generic manufacturer and model)	Airframe MSN	Engine Manufacturer	Engine Model (including generic manufacturer and model)
1	N126FE	Boeing	767-3S2F (Generic Model 767-300F)	42718	General Electric	CF6-80C2B6F (Generic Model CF6-80C2)
2	N130FE	Boeing	767-3S2F (Generic Model 767-300F)	42720	General Electric	CF6-80C2B6F (Generic Model CF6-80C2)
3	N135FE	Boeing	767-3S2F (Generic Model 767-300F)	42722	General Electric	CF6-80C2B6F (Generic Model CF6-80C2)
4	N138FE	Boeing	767-3S2F (Generic Model 767-300F)	42723	General Electric	CF6-80C2B6F (Generic Model CF6-80C2)
5	N144FE	Boeing	767-3S2F (Generic Model 767-300F)	42726	General Electric	CF6-80C2B6F (Generic Model CF6-80C2)
6	N151FE	Boeing	767-3S2F (Generic Model 767-300F)	43630	General Electric	CF6-80C2B6F (Generic Model CF6-80C2)
7	N153FE	Boeing	767-3S2F (Generic Model 767-300F)	63095	General Electric	CF6-80C2B6F (Generic Model CF6-80C2)
8	N155FE	Boeing	767-3S2F (Generic Model 767-300F)	43631	General Electric	CF6-80C2B6F (Generic Model CF6-80C2)
9	N168FE	Boeing	767-3S2F (Generic Model 767-300F)	63100	General Electric	CF6-80C2B6F (Generic Model CF6-80C2)
10	N172FE	Boeing	767-3S2F (Generic Model 767-300F)	63103	General Electric	CF6-80C2B6F (Generic Model CF6-80C2)
11	N180FE	Boeing	767-3S2F (Generic Model 767-300F)	63111	General Electric	CF6-80C2B6F (Generic Model CF6-80C2)
12	N183FE	Boeing	767-3S2F (Generic Model 767-300F)	63114	General Electric	CF6-80C2B6F (Generic Model CF6-80C2)
13	N184FE	Boeing	767-3S2F (Generic Model 767-300F)	63115	General Electric	CF6-80C2B6F (Generic Model CF6-80C2)
14	N845FD	Boeing	777FS2 (Generic Model 777F)	40675	General Electric	GE90-110B1 (Generic Model GE90-110)
15	N869FD	Boeing	777FS2 (Generic Model 777F)	42705	General Electric	GE90-110B1 (Generic Model GE90-110)
16	N876FD	Boeing	777FS2 (Generic Model 777F)	40683	General Electric	GE90-110B1 (Generic Model GE90-110)
17	N877FD	Boeing	777FS2 (Generic Model 777F)	41440	General Electric	GE90-110B1 (Generic Model GE90-110)
18	N891FD	Boeing	777FS2 (Generic Model 777F)	40682	General Electric	GE90-110B1 (Generic Model GE90-110)
19	N897FD	Boeing	777FS2 (Generic Model 777F)	66255	General Electric	GE90-110B1 (Generic Model GE90-110)

Exhibit 4.6

Execution Version

REVOLVING CREDIT AGREEMENT
(2020-1AA)

Dated as of August 13, 2020

between

WILMINGTON TRUST COMPANY,
as Subordination Agent,
as agent and trustee for the trustee of
FedEx Pass Through Trust 2020-1AA,

as Borrower

and

BNP PARIBAS, acting through its New York Branch,

as Liquidity Provider

FedEx Pass Through Trust 2020-1AA
FedEx
Pass Through Certificates,
Series 2020-1AA

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Annex VII - Form of Notice of Special Termination
Annex VIII - Form of Notice of Replacement Subordination Agent

REVOLVING CREDIT AGREEMENT
(2020-1AA)

This REVOLVING CREDIT AGREEMENT (2020-1AA), dated as of August 13, 2020, is made by and between WILMINGTON TRUST COMPANY, a Delaware trust company, not in its individual capacity but solely as Subordination Agent (such term and other capitalized terms used herein without definition being defined as provided in Article I) under the Intercreditor Agreement (as defined below), as agent and trustee for the Class AA Trustee (in such capacity, together with its successors in such capacity, the "***Borrower***"), and BNP PARIBAS, a *société anonyme* organized under the laws of France, acting through its New York branch (the "***Liquidity Provider***").

W I T N E S S E T H:

WHEREAS, pursuant to the Class AA Trust Agreement, the Class AA Trust is issuing the Class AA Certificates; and

WHEREAS, the Borrower, in order to support the timely payment of a portion of the interest on the Class AA Certificates in accordance with their terms, has requested the 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 Definitions. (a) The definitions stated herein apply equally to both the singular and the plural forms of the terms defined.

(b) All references in this Agreement to designated "Articles", "Sections", "Annexes" and other subdivisions are to the designated Article, Section, Annex or other subdivision of this Agreement, unless otherwise specifically stated.

(c) 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, Annex or other subdivision.

(d) Unless the context otherwise requires, whenever the words "including", "include" or "includes" are used herein, it shall be deemed to be followed by the phrase "without limitation".

(e) All references in this Agreement to a Person shall include successors and permitted assigns of such Person.

(f) For the purposes of this Agreement, unless the context otherwise requires, the following capitalized terms shall have the following meanings:

"***Advance***" means an Interest Advance, a Final Advance, a Provider Advance, an Unapplied Provider Advance, an Applied Provider Advance, a Special Termination Advance, an Unapplied Special Termination Advance, an Applied Special Termination Advance or an Unpaid Advance, as the case may be.

"***Affected Financial Institution***" means (a) any EEA Financial Institution or (b) any UK Financial Institution.

"***Agreement***" means this Agreement, 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 specified in Section 3.07(h).

"***Applicable Margin***" means (a) with respect to any Interest Advance, Final Advance, Applied Provider Advance or Applied Special Termination Advance, 2.50% per annum, (b) with respect to any Unapplied Provider Advance, the rate per annum specified in the Fee Letter or (c) with respect to any Unapplied Special Termination Advance, the rate per annum specified in the Fee Letter.

"***Applied Downgrade Advance***" has the meaning specified in Section 2.06(a).

"***Applied Non-Extension Advance***" has the meaning specified in Section 2.06(a).

"***Applied Provider Advance***" means an Applied Downgrade Advance or an Applied Non- Extension Advance.

"***Applied Special Termination Advance***" has the meaning specified in Section 2.05.

"***Bail-In Action***" means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

"***Bail-In Legislation***" means (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

"***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 the sum of (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 each day in the period for which the Base Rate is to be determined (or, if such day is not a Business Day, for the 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 Liquidity Provider from three Federal funds brokers of recognized standing selected by it (and reasonably satisfactory to FedEx) plus (b) one-quarter of one percent (0.25%).

"***Base Rate Advanc***e" means an Advance that bears interest at a rate based upon the Base Rate.

"***Benchmark Replacement Event***" means, in respect of the London Interbank Offered Rate or any successor Benchmark Replacement Rate, an event where the applicable administrator (or other applicable source) for such rate permanently or indefinitely ceases to provide such rate, without any successor administrator (or other applicable source) continuing to provide such rate.

"***Benchmark Replacement Rate***" means, following the occurrence of a Benchmark Replacement Event (with respect to the London Interbank Offered Rate or any then applicable successor Benchmark Replacement Rate (the "Terminating Rate")), or at the request of FedEx Express or the Liquidity Provider in anticipation thereof following any applicable public statement from the administrator or regulatory supervisor (or other applicable authority or source) identifying a specific date for occurrence of such Benchmark Replacement Event, an applicable alternate rate of interest (including any relevant adjusting spread) to such Terminating Rate that gives due consideration to (i) the then prevailing market convention for determining a rate of interest for U.S. dollar-denominated credit facilities at such time (as the applicable market replacement for such Terminating Rate) and (ii) the requirements under proposed U.S. Treasury regulations section 1.1001-6 and any successor regulations or guidance relating thereto, to the extent applicable, for the replacement of such Terminating Rate with such alternate rate of interest and any associated alteration not to be treated as a taxable exchange for U.S. federal income tax purposes, as determined pursuant to mutual written agreement of FedEx Express and the Liquidity Provider, each acting reasonably.

"***Borrower***" has the meaning specified in the introductory paragraph 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 New York, New York, Wilmington, Delaware, or, so long as any Class AA Certificate is outstanding, the city and state in which the Class AA Trustee, the Borrower or any related Loan Trustee 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.

"***Code***" means the United States Internal Revenue Code of 1986, as amended.

"***Covered Taxes***" means any Taxes imposed by the United States, or any political subdivision or taxing authority thereof or therein, that are required by law to be deducted or withheld from any amounts payable to the Liquidity Provider under this Agreement other than (i) any such Tax on, based on or measured by net income, franchises or conduct of business, (ii) any such Tax imposed, levied, withheld or assessed as a result of any connection between the Liquidity Provider and the United States or such political subdivision or taxing authority, other than a connection arising solely from the Liquidity Provider's having executed, delivered, performed its obligations or received a payment under, or enforced, any Operative Agreement, (iii) any such Tax attributable to the inaccuracy in or breach by the Liquidity Provider of any of its representations, warranties or covenants contained in any Operative Agreement to which it is a party or the inaccuracy of any form, certificate or document furnished pursuant thereto, (iv) any such withholding Taxes imposed by the United States except to the extent such withholding Taxes would not have been required to be deducted or withheld from payments hereunder but for a change after the date hereof in the Code or the Treasury Regulations thereunder that affects the exemption for income that is effectively connected with the conduct of a trade or business within the United States, (v) any withholding Taxes imposed by the United States which are imposed or increased as a result of the Liquidity Provider failing to deliver to the Borrower any form, certificate or document (which form, certificate or document, in the good faith judgment of the Liquidity Provider, it 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, (vi) any such Taxes that would not have been imposed but for any change in the Lending Office without the prior written consent of FedEx (such consent not to be unreasonably withheld), or (vii) any Taxes imposed under FATCA.

"***Downgrade Advance***" means an Advance made pursuant to Section 2.02(b)(ii).

"***Downgrade Event***" means any downgrading of, or any suspension or withdrawal of any applicable rating of, the Liquidity Provider by any Rating Agency such that after such downgrading, suspension or withdrawal the Liquidity Provider does not have the minimum Long-Term Rating specified for such Rating Agency in the definition of "Threshold Rating". The occurrence of a Downgrade Event shall be determined separately for each Rating Agency. For the avoidance of doubt, a Downgrade Event shall not occur with respect to a Rating Agency so long as the Liquidity Provider has either of the applicable Threshold Ratings specified for such Rating Agency.

"***EEA Financial Institution***" means (a) any credit institution or investment firm established in any EEA Member Country that is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country that is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country that is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"***EEA Member Country***" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"***EEA Resolution Authority***" means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"***Effective Date***" has the meaning specified in Section 4.01. The delivery of the certificate of the Liquidity Provider contemplated by Section 4.01(e) shall be conclusive evidence that the Effective Date has occurred.

"***EU Bail-In Legislation Schedule***" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

"***Excluded Taxes***" means (a) Taxes imposed on the overall net income of the Liquidity Provider, (b) Taxes imposed on the "effectively connected income" of its Lending Office, (c) Covered Taxes that are indemnified pursuant to Section 3.03 hereof, and (d) Taxes described in clauses (i) through (vii) in the definition of "***Covered Taxes***".

"***Expenses***" means liabilities, obligations, losses, damages, costs, penalties, claims, actions, suits, expenses and disbursements (including, without limitation, reasonable fees and disbursements of legal counsel), 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 the earlier of (a) the anniversary date of the Closing Date immediately following the date on which the Liquidity Provider has provided a Non-Extension Notice to the Borrower pursuant to Section 2.10 and (b) the 15th day after the Final Legal Distribution Date of the Class AA Certificates.

"***FATCA***" means Sections 1471 through 1474 of the Code as of the date of this Agreement (or any amended or successor provisions that are substantively comparable and not materially more onerous to comply with); any current or future regulations or official interpretations thereof; any agreements entered into pursuant to Section 1471(b)(1) of the Code; any intergovernmental agreement entered into in connection with any of the foregoing; and any fiscal or regulatory legislation, rules or practices adopted pursuant to any such intergovernmental agreement.

"***Final Advance***" means an Advance made pursuant to Section 2.02(c).

"***Head Office***" has the meaning specified in Section 7.18.

"***Increased Cost***" has the meaning specified in Section 3.01.

"***Intercreditor Agreement***" means the Intercreditor Agreement, dated as of the date hereof, among the Trustees, the Liquidity Provider, the liquidity provider under each Liquidity Facility (other than this Agreement), 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 Liquidity Provider's receipt of the Notice of Borrowing for such LIBOR Advance or (B) the date of the withdrawal of funds from the Class AA Cash Collateral Account for the purpose of paying interest on the Class AA Certificates as contemplated by Section 2.06(a) hereof and, in each case, ending on the next succeeding Regular Distribution Date; and

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

provided, however, that if (x) the Final Advance shall have been made pursuant to Section 2.02(c) or (y) other outstanding Advances shall have been converted into the Final Advance pursuant to Section 6.01(a), then the Interest Periods shall be successive periods of one month beginning on (A) the third Business Day following the Liquidity Provider's receipt of the Notice of Borrowing for such Final Advance (in the case of clause (x) above) or (B) the Regular Distribution Date following such conversion (in the case of clause (y) above).

"***Lending Office***" means the lending office of the Liquidity Provider through which it acts for purposes of this Agreement, which is presently located at 525 Washington Blvd # 600, Jersey City, NJ 07310 or such other lending office as the Liquidity Provider from time to time shall notify the Borrower as its lending office hereunder; provided that the Liquidity Provider shall not change its Lending Office without the prior written consent of FedEx (such consent not to be unreasonably withheld).

"***LIBOR Advance***" means an Advance bearing interest at a rate based upon the LIBOR Rate.

"***LIBOR Rate***" means, with respect to any Interest Period, (a) the interest rate per annum equal to the London Interbank Offered Rate per annum administered by ICE Benchmark Administration Limited (or any other successor person which takes over administration of that rate) for Dollar deposits, which rate is displayed on the Reuters Screen LIBOR01 (or such other page or screen as may replace such Reuters Screen) at approximately 11:00 a.m. (London time) on the day that is two Business Days prior to the first day of such Interest Period, for a period comparable to such Interest Period, or (b) if no such rate appears on such Reuters Screen (or otherwise as aforesaid), the interest rate per annum equal to the average (rounded up, if necessary, to the nearest 1/100th of 1%) of the rates per annum at which deposits in Dollars are offered by the Reference Banks (or, if fewer than all of the Reference Banks are quoting a rate for deposits in Dollars for the applicable period and amount, such fewer number of Reference Banks) at approximately 11:00 a.m. (London time) on the day that is two Business Days prior to the first day of such Interest Period to prime banks in the London interbank market for a period comparable to such Interest Period and in an amount approximately equal to the principal amount of the LIBOR Advance to be outstanding during such Interest Period, or (c) if none of the Reference Banks is quoting a rate for deposits in Dollars in the London interbank market for such a period and amount, the interest rate per annum equal to the average (rounded up, if necessary, to the nearest 1/100th of 1%) of the rates at which deposits in Dollars are offered by the principal New York offices of the Reference Banks (or, if fewer than all of the Reference Banks are quoting a rate for deposits in Dollars in the New York interbank market for the applicable period and amount, such fewer number of Reference Banks) at approximately 11:00 a.m. (New York time) on the day that is two Business Days prior to the first day of such Interest Period to prime banks in the New York interbank market for a period comparable to such Interest Period and in an amount approximately equal to the principal amount of the LIBOR Advance to be outstanding during such Interest Period, or (d) if none of the principal New York offices of the Reference Banks is quoting a rate for deposits in Dollars in the New York interbank market for the applicable period and amount, the Base Rate; provided that, if a Benchmark Replacement Event has occurred (or an applicable Benchmark Replacement Rate has otherwise been established with agreed effectiveness prior to such Benchmark Replacement Event), the LIBOR Rate shall be the lower of (i) the Base Rate and (ii) the Benchmark Replacement Rate (if then established and effective); provider, further, that, if the LIBOR Rate determined as provided above with respect to any LIBOR Advance for any Interest Period would be less than zero, then the LIBOR Rate with respect to such LIBOR Advance shall be deemed to be zero.

"***Liquidity Event of Default***" means the occurrence of either (a) the Acceleration of all of the Equipment Notes or (b) a FedEx Bankruptcy Event.

"***Liquidity Indemnitee***" means the Liquidity Provider, its directors, officers, employees and agents, and its successors and permitted assigns.

"***Liquidity Provider***" has the meaning specified in the introductory paragraph to this Agreement.

"***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, subject to Section 2.06(d), following a Provider Advance, a Special Termination Advance or a Final Advance, the Maximum Available Commitment shall be zero.

"***Maximum Commitment***" means $27,634,896.00, 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)(i).

"***Non-Extension Notice***" has the meaning specified in Section 2.10.

"***Notice of Borrowing***" has the meaning specified in Section 2.02(e).

"***Notice of Replacement Subordination Agent***" has the meaning specified in Section 3.08.

"***Participation***" has the meaning specified in Section 7.08(b).

"***Performing Note Deficiency***" means any time that less than 65% of the then aggregate outstanding principal amount of all Series AA Equipment Notes and Series A Equipment Notes are Performing Equipment Notes.

"***Permitted Transferee***" means any Person that:

(a) is not a commercial air carrier, FedEx or any affiliate of FedEx; and

(b) is any one of:

(1) a commercial banking institution organized under the laws of the United States or any state thereof or the District of Columbia;

(2) a commercial banking institution that (x) is organized under the laws of France, Germany, The Netherlands, Switzerland or the United Kingdom, (y) is entitled on the date it acquires any Participation to a complete exemption from United States federal income Taxes for all income derived by it from the transactions contemplated by the Operative Agreements under an income tax treaty, as in effect on such date, between the United States and such jurisdiction of its organization and (z) is engaged in the active conduct of a banking business in such jurisdiction of its organization, holds its Participation in connection with such banking business in such jurisdiction and is regulated as a commercial banking institution by the appropriate regulatory authorities in such jurisdiction; or

(3) a commercial banking institution that (x) is organized under the laws of Canada, France, Germany, Ireland, Japan, Luxembourg, The Netherlands, Sweden, Switzerland or the United Kingdom and (y) is entitled on the date it acquires any Participation to a complete exemption from withholding of United States federal income Taxes for all income derived by it from the transactions contemplated by the Operative Agreements under laws as in effect on such date by reason of such income being effectively connected with the conduct of a trade or business within the United States.

"***Prospectus Supplement***" means the Prospectus Supplement, dated July 30, 2020, relating to the Class AA Certificates, as such Prospectus Supplement may be amended or supplemented.

"***Provider Advance***" means a Downgrade Advance or a Non-Extension Advance.

*"**Rate Determination Notice**"* has the meaning specified in Section 3.07(g).

"***Reference Banks***" means the principal London offices of: Deutsche Bank AG; Citibank, N.A. and JPMorgan Chase Bank; and/or such other or additional banking institutions as may be designated from time to time by mutual agreement of FedEx and the Liquidity Provider.

"***Regulatory Change***" means (x) the enactment, adoption or promulgation, after the date of this Agreement, of any law or regulation or the adoption or making of any interpretations, directives or requirements applying to a class of banks including the Liquidity Provider, in each by a United States federal or state government or by any government having jurisdiction over the Liquidity Provider, or any change, after the date of this Agreement, in any such law, regulation, interpretation, directive or requirements, or in the interpretation thereof by any governmental authority, court, central bank or comparable agency of the United States or any government having jurisdiction over the Liquidity Provider charged with responsibility for the administration or application thereof, that shall impose, modify or deem applicable, or (y) the compliance by the Liquidity Provider (or its Head Office) with any applicable direction or requirement (whether or not having the force of law) of any central bank or competent governmental or other authority, after the date of this Agreement, with respect to: (a) any reserve, special deposit or similar requirement against extensions of credit or other assets of, or deposits with or other liabilities of, the Liquidity Provider including, or by reason of, the Advances, or (b) any capital adequacy requirement requiring the maintenance by the Liquidity Provider of additional capital in respect of any Advances or the Liquidity Provider's obligation to make any such Advances, or (c) any requirement to maintain liquidity or liquid assets in respect of the Liquidity Provider's obligation to make any such Advances, or (d) any Taxes (other than Excluded Taxes) with respect to the amounts payable or paid hereunder to the Liquidity Provider or any change in the basis of taxation of any amounts payable hereunder to the Liquidity Provider (other than in respect of Excluded Taxes).

"***Replenishment Amount***" has the meaning specified 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 Stated Interest Rate for the Class AA Certificates on the basis of a 360-day year comprised of twelve 30-day months, that would be distributable on the Class AA Certificates on each of the three successive semiannual Regular Distribution Dates immediately following such day or, if such day is a Regular Distribution Date, on such day and the succeeding two semiannual Regular Distribution Dates, in each case calculated on the basis of the Pool Balance of the Class AA Certificates on such day and without regard to expected future distributions of principal on the Class AA Certificates.

"***Resolution Authority***" means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

"***Special Termination Advance***" means an Advance made pursuant to Section 2.02(d).

"***Special Termination Notice***" means the Notice of Special Termination substantially in the form of **Annex VII** to this Agreement.

"***Termination Date***" means the earliest to occur of the following: (i) the Expiry Date; (ii) the date on which the Borrower delivers to the Liquidity Provider a certificate, signed by a Responsible Officer of the Borrower, certifying that all of the Class AA Certificates have been paid in full (or provision has been made for such payment in accordance with the Intercreditor Agreement and the Class AA Trust Agreement) or are otherwise no longer entitled to the benefits of this Agreement; (iii) the date on which the Borrower delivers to the Liquidity Provider a certificate, signed by a Responsible Officer of the Borrower, certifying that a Replacement Liquidity Facility has been substituted for this Agreement in full pursuant to Section 3.05(e) of the Intercreditor Agreement; (iv) the fifth Business Day following the receipt by the Borrower of a Termination Notice or a Special Termination Notice from the Liquidity Provider pursuant to Section 6.01(a) or 6.01(b), as applicable; and (v) the date on which no Advance is or may (including by reason of reinstatement as herein provided) become available for a Borrowing hereunder.

"***Termination Notice***" means the Notice of Termination substantially in the form of **Annex VI** to this Agreement.

"***UK Financial Institution***" means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended form time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

"***UK Resolution Authority***" means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

"***Unapplied Advance***" has the meaning specified in Section 3.07(e).

"***Unapplied Downgrade Advance***" means the portion of any Downgrade Advance that is not an Applied Downgrade Advance.

"***Unapplied Non-Extension Advance***" means the portion of any Non-Extension Advance that is not an Applied Non-Extension Advance.

"***Unapplied Provider Advance***" means the portion of any Provider Advance that is not an Applied Provider Advance.

"***Unapplied Special Termination Advance***" means the portion of any Special Termination Advance that is not an Applied Special Termination Advance.

"***Unpaid Advance***" has the meaning specified in Section 2.05.

"***Write-Down and Conversion Powers***" means, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

For the purposes of this Agreement, the following terms shall have the respective meanings specified in the Intercreditor Agreement:

"Acceleration", "Additional Certificates", "Aircraft", "Certificate", "Class AA Cash Collateral Account" "Class AA Certificates", "Class AA Certificateholders", "Class AA Trust", "Class AA Trust Agreement", "Class AA Trustee", "Closing Date", "Collection Account", "Corporate Trust Office", "Distribution Date", "Dollars", "Downgrade Drawing", "Downgraded Facility", "Equipment Notes", "FedEx", "FedEx Bankruptcy Event", "Fee Letter", "Final Legal Distribution Date", "Indenture", "Interest Payment Date", "Investment Earnings", "Liquidity Facility", "Loan Trustee", "Long-Term Rating", "Non-Extended Facility", "Operative Agreements", "Participation Agreements", "Performing Equipment Note", "Person", "Pool Balance", "Rating Agencies", "Regular Distribution Date", "Replacement Liquidity Facility", "Responsible Officer", "Scheduled Payment", "Series AA Equipment Notes", "Series A Equipment Notes", "Special Payment", "Stated Interest Rate", "Subordination Agent", "Taxes", "Threshold Rating", "Treasury Regulations", "Trust Agreement", "Trustee", "Underwriters", "Underwriting Agreement", and "United States".

ARTICLE II

AMOUNT AND TERMS OF THE COMMITMENT

Section 2.01 The Advances. The 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 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 of Advances. (a) Each Interest Advance shall be made by the Liquidity Provider upon delivery to the Liquidity Provider of a written and completed Notice of Borrowing in substantially the form of **Annex I**, signed by a Responsible Officer of the Borrower, such Interest Advance to be in an amount not exceeding the Maximum Available Commitment at such time and used solely for the payment when due of interest with respect to the Class AA Certificates at the Stated Interest Rate therefor in accordance with Section 3.05(a) and 3.05(b) 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 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) both a Performing Note Deficiency exists and a Liquidity Event of Default shall have occurred and be continuing or (y) a Final Advance, a Downgrade Advance, a Non-Extension Advance or a Special Termination Advance shall have occurred, except as provided in Section 2.06(d) with respect to a Downgrade Drawing.

(b) (i) A Non-Extension Advance shall be made by the Liquidity Provider in a single Borrowing if this Agreement is not extended in accordance with Section 3.05(d) of the Intercreditor Agreement unless a Replacement Liquidity Facility to replace this Agreement shall have been previously delivered to the Borrower in accordance with said Section 3.05(d), upon delivery to the Liquidity Provider of a written and completed Notice of Borrowing in substantially the form of **Annex II**, 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 Class AA Cash Collateral Account in accordance with Sections 3.05(d) and 3.05(f) of the Intercreditor Agreement.

(ii) A Downgrade Advance shall be made by the Liquidity Provider in a single Borrowing upon this Liquidity Facility becoming a Downgraded Facility (as provided for in Section 3.05(c) of the Intercreditor Agreement) unless a Replacement Liquidity Facility to replace this Agreement shall have been previously delivered to the Borrower in accordance with said Section 3.05(c), upon delivery to the Liquidity Provider of a written and completed Notice of Borrowing in substantially the form of **Annex III**, 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 Class AA Cash Collateral Account in accordance with Sections 3.05(c) and 3.05(f) of the Intercreditor Agreement.

(c) A Final Advance shall be made by the Liquidity Provider in a single Borrowing following the receipt by the Borrower of a Termination Notice from the Liquidity Provider pursuant to Section 6.01(a) upon delivery to the Liquidity Provider of a written and completed Notice of Borrowing in substantially the form of **Annex IV**, 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 Class AA Cash Collateral Account in accordance with Sections 3.05(f) and 3.05(i) of the Intercreditor Agreement.

(d) A Special Termination Advance shall be made in a single Borrowing upon the receipt by the Borrower of a Special Termination Notice from the Liquidity Provider pursuant to Section 6.01(b), by delivery to the Liquidity Provider of a written and completed Notice of Borrowing in substantially the form of **Annex V**, 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 Class AA Cash Collateral Account in accordance with Section 3.05(f) and Section 3.05(k) of the Intercreditor Agreement.

(e) Each Borrowing shall be made by 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 Liquidity Provider. If a Notice of Borrowing is delivered by the Borrower in respect of any Borrowing no later than 12:30 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 such requested Borrowing, the Liquidity Provider shall make available to the Borrower, in accordance with its payment instructions, the amount of such Borrowing in Dollars and immediately available funds, before 4:00 p.m. (New York City time) on such Business Day or before 12:30 p.m. (New York City time) 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 after 12:30 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 such requested Borrowing, the Liquidity Provider shall make available to the Borrower, in accordance with its payment instructions, the amount of such Borrowing in Dollars and immediately available funds, before 1:00 p.m. (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 Liquidity Provider for such purpose. Each Notice of Borrowing shall be irrevocable and binding on the Borrower. Each Notice of Borrowing shall be effective upon delivery of a copy thereof to the Liquidity Provider at the address and in the manner specified in Section 7.02 hereof.

(f) Upon the making of any Advance requested pursuant to a Notice of Borrowing in accordance with the Borrower's payment instructions, the Liquidity Provider shall be fully discharged of its obligation hereunder with respect to such Notice of Borrowing, and the 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 (including the Class AA Trustee or any Class AA Certificateholder). If the 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 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) to fund the Class AA Cash Collateral Account, the Liquidity Provider shall have no interest in or rights to the Class AA Cash Collateral Account, such Advance or any other amounts from time to time on deposit in the Class AA 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 3.05(c)(v), 3.05(e) or 3.05(f) of the Intercreditor Agreement and provided, further, that the foregoing shall not affect or impair the rights of the Liquidity Provider to provide written instructions with respect to the investment and reinvestment of amounts in the Class AA Cash Collateral Account to the extent the Liquidity Provider is entitled to do so pursuant to Section 2.02(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 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 Liquidity Provider the fees set forth in the Fee Letter.

Section 2.04 Reduction 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 AA Certificates, 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 Liquidity Provider and FedEx within two Business Days thereof. The failure by the Borrower to furnish any such notice shall not affect any such automatic reduction of the Maximum Commitment.

(b) Termination. Upon the making of any Provider Advance or Special Termination Advance or the making of or conversion to a Final Advance hereunder or the occurrence of the Termination Date, the obligation of the 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, except in the case of a Downgrade Advance, as provided in Section 2.06(d).

Section 2.05 Repayments of Interest Advances, the Special Termination Advance 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 Liquidity Provider (which notice and demand are hereby waived by the Borrower), to pay, or to cause to be paid, to the Liquidity Provider (a) on each date on which the Liquidity Provider shall make an Interest Advance, the Special Termination Advance or the Final Advance, an amount equal to 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 in the amounts and on the dates determined as provided in Section 3.07; provided that if (i) the 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 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 Liquidity Provider in accordance with Section 2.06 and for the purposes of Section 2.06(b)); provided, further, that amounts in respect of a Special Termination Advance withdrawn from the Class AA Cash Collateral Account for the purpose of paying interest on the Class AA Certificates in accordance with Section 3.05(f) of the Intercreditor Agreement (the portion of the outstanding Special Termination Advance equal to the amount of any such withdrawal, but not in excess of the outstanding Special Termination Advance, being an "***Applied Special Termination 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, that if, following the making of a Special Termination Advance, the Liquidity Provider delivers a Termination Notice to the Borrower pursuant to Section 6.01(a), such Special Termination Advance (including any portion thereof that is an Applied Special Termination 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, provided, further, that if, after making a Provider Advance, the Liquidity Provider delivers a Special Termination Notice to the Borrower pursuant to Section 6.01(b), any Unapplied Provider Advance shall be converted to and treated as a Special Termination Advance under this Agreement for purposes of determining the Applicable Liquidity Rate for interest payable thereon and the obligation for repayment thereof under the Intercreditor Agreement. The Borrower and the Liquidity Provider agree that the repayment in full of each Interest Advance, Special Termination 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 Liquidity Provider. For the avoidance of doubt, interest payable on an Interest Advance, Special Termination Advance or the Final Advance shall not be regarded as overdue unless such interest is not paid when due under Section 3.07.

Section 2.06 Repayments of Provider Advances. (a) Amounts advanced hereunder in respect of a Provider Advance shall be deposited in the Class AA Cash Collateral Account and invested and withdrawn from the Class AA Cash Collateral Account as set forth in Sections 3.05(c), 3.05(d), 3.05(e) and 3.05(f) of the Intercreditor Agreement. Subject to Sections 2.07 and 2.09, the Borrower agrees to pay to the 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, in the amounts determined as provided in Section 3.07; provided, however, that amounts in respect of a Provider Advance withdrawn from the Class AA Cash Collateral Account for the purpose of paying interest on the Class AA Certificates in accordance with Section 3.05(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 and the dates on which interest is payable; provided, further, however, that if, following the making of a Provider Advance, the Liquidity Provider delivers a Termination Notice to the Borrower pursuant to Section 6.01(a), 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. Subject to Sections 2.07 and 2.09, immediately upon the withdrawal of any amounts from the Class AA Cash Collateral Account on account of a reduction in the Required Amount, the Borrower shall repay to the Liquidity Provider a portion of the Provider Advances in a principal amount equal to such reduction, plus interest on the principal amount so repaid as provided in Section 3.07.

(b) At any time when an Applied Provider Advance or Applied Special Termination Advance (or any portion thereof) is outstanding, upon the deposit in the Class AA Cash Collateral Account of any amount pursuant to clause "fourth" of Section 3.02 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 Applied Special Termination Advances (and of Provider Advances and Special Termination Advances treated as Interest Advances 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 any such repayment 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 or of the Unapplied Special Termination Advances shall be automatically increased by the amount of such Replenishment Amount.

(c) Upon the provision of a Replacement Liquidity Facility in replacement of this Agreement in accordance with Section 3.05(e) of the Intercreditor Agreement, as provided in Section 3.05(f) of the Intercreditor Agreement, amounts remaining on deposit in the Class AA Cash Collateral Account after giving effect to any Applied Provider Advance or Applied Special Termination Advance on the date of such replacement shall be reimbursed to the replaced Liquidity Provider, but only to the extent such amounts are necessary to repay in full to the replaced Liquidity Provider all amounts owing to it hereunder.

(d) If, at any time after making a Downgrade Advance, the Liquidity Provider satisfies the Threshold Rating and delivers written notice to that effect to the Borrower and FedEx, as of the second Business Day following receipt of such notice, (i) this Liquidity Facility shall cease to be a Downgraded Facility, (ii) any Unapplied Downgrade Advance shall be withdrawn from the Class AA Cash Collateral Account and reimbursed to the Liquidity Provider, (iii) any Applied Downgrade Advance shall be converted to an Interest Advance, (iv) the Maximum Available Commitment shall be reinstated by an amount equal to the amount of such Unapplied Downgrade Advance so reimbursed, but not to exceed the Maximum Commitment, and the obligation of the Liquidity Provider to make Advances shall be reinstated in an equal amount, (v) the Borrower shall be entitled to request Borrowings and (vi) the proviso in the definition of Maximum Available Commitment and clause (y) of the proviso in the final sentence of Section 2.02(a) shall, in each case, no longer apply to such Downgrade Advance.

Section 2.07 Payments to the Liquidity Provider Under the Intercreditor Agreement. In order to provide for payment or repayment to the 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 Liquidity Provider pursuant to the terms of the Intercreditor Agreement (including, without limitation, Section 3.05(f) of the Intercreditor Agreement), shall be paid to the Liquidity Provider in accordance with the terms thereof (but, for the avoidance of doubt, without duplication of or increase in any amounts payable hereunder). Amounts so paid to the Liquidity Provider shall be applied by the Liquidity Provider in the order of priority required by the applicable provisions of Articles II and III of the Intercreditor Agreement and shall discharge in full the corresponding obligations of the Borrower hereunder.

Section 2.08 Book Entries. The 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 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 shall be made only from the amounts that constitute Scheduled Payments, Special Payments and other payments under the Operative Agreements, including payment under Section 4.02 of the Participation Agreements and payments under Section 2.14 of the Indentures, 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 Liquidity Provider agrees that it will look solely to such amounts 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 any Participation Agreement. Amounts on deposit in the Class AA 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 3.05(f) of the Intercreditor Agreement.

Section 2.10 Extension of the Expiry Date; Non-Extension Advance. If the Liquidity Provider notifies the Borrower and FedEx in writing before the 60th day prior to any anniversary date of the Closing Date that occurs prior to the 15th day after the Final Legal Distribution Date for the Class AA Certificates (such notice, a "***Non-Extension Notice***") that its obligations to make Advances hereunder shall not be extended beyond the immediately following anniversary date of the Closing Date (and if the Liquidity Provider shall not have been replaced in accordance with Section 3.05(e) of the Intercreditor Agreement), the Borrower shall be entitled on and after the 25th day prior to such anniversary date (but prior to such anniversary date and in any event prior to the then applicable Expiry Date) to request a Non-Extension Advance in accordance with Section 2.02(b)(i) hereof and Section 3.05(d) of the Intercreditor Agreement.

ARTICLE III

OBLIGATIONS OF THE BORROWER

Section 3.01 Increased Costs. Without duplication of any rights created by Section 3.03, if as a result of any Regulatory Change there shall be any increase by an amount reasonably deemed by the Liquidity Provider to be material in the actual cost to the Liquidity Provider of making, funding or maintaining any Advances or its obligation to make any such Advances or there shall be any reduction by an amount reasonably deemed by the Liquidity Provider to be material in the amount receivable by the Liquidity Provider under this Agreement or the Intercreditor Agreement in respect thereof, and in case of either such an increase or reduction, such event does not arise from the gross negligence or willful misconduct of the Liquidity Provider, from its breach of any of its representations, warranties, covenants or agreements contained herein or in the Intercreditor Agreement or from its failure to comply with any such Regulatory Change (any such increase or reduction being referred to herein as an "***Increased Cost***"), then, subject to Sections 2.07 and 2.09, the Borrower shall from time to time pay to the Liquidity Provider an amount equal to such Increased Cost within 10 Business Days after delivery to the Borrower and FedEx of a certificate of an officer of the Liquidity Provider describing in reasonable detail the event by reason of which it claims such Increased Cost and the basis for the determination of the amount of such Increased Cost; provided that the Borrower shall be obligated to pay amounts only with respect to any Increased Costs accruing from the date 120 days prior to the date of delivery of such certificate. Such certificate, in the absence of manifest error, shall be considered prima facie evidence of the amount of the Increased Costs for purposes of this Agreement; provided that any determinations and allocations by the Liquidity Provider of the effect of any Regulatory Change on the costs of maintaining the Advances or the obligation to make Advances are made on a reasonable basis. For the avoidance of doubt, the Liquidity Provider shall not be entitled to assert any claim under this Section 3.01 in respect of or attributable to Excluded Taxes. The Liquidity Provider will notify the Borrower and FedEx as promptly as practicable upon its knowledge of any event occurring after the date of this Agreement that will entitle the Liquidity Provider to compensation under this Section 3.01. The Liquidity Provider agrees to investigate all commercially reasonable alternatives for reducing any Increased Costs and to use all commercially reasonable efforts to avoid or minimize, to the greatest extent possible, any claim in respect of Increased Costs, including, without limitation, by designating a different Lending Office, if such designation or other action would avoid the need for, or reduce the amount of, any such claim; provided that the foregoing shall not obligate the Liquidity Provider to take any action that would, in its reasonable judgment, cause the Liquidity Provider to take any action that is not materially consistent with its internal policies or is otherwise materially disadvantageous to the Liquidity Provider or that would cause the Liquidity Provider to incur any material loss or cost, unless the Borrower or FedEx agrees to reimburse or indemnify the Liquidity Provider therefor in a manner reasonably acceptable to the Liquidity Provider. If no such designation or other action is effected, or, if effected, such notice fails to avoid the need for any claim in respect of Increased Costs, FedEx may arrange for a Replacement Liquidity Facility in accordance with Section 3.05(e) of the Intercreditor Agreement.

Notwithstanding the foregoing provisions, in no event shall the Borrower be required to make payments under this Section 3.01: (a) in respect of any Regulatory Change proposed by any applicable governmental authority (including any branch of a legislature), court, central bank or comparable agency of the United States or the Liquidity Provider's jurisdiction of organization or in which its Lending Office is located and pending as of the date of this Agreement (it being agreed that the Regulatory Changes contemplated by (i) the frameworks published by the Basel Committee on Banking Supervision entitled "Basel III: A global regulatory framework for more resilient banks and banking systems" dated December 2010 (revised June 2011), "Basel III: The Liquidity Coverage Ratio and liquidity risk monitoring tools," dated January 2013, and (ii) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith, shall not be considered to have been proposed or pending as of the date of this Agreement); (b) if a claim hereunder in respect of an Increased Cost arises through circumstances peculiar to the Liquidity Provider and that do not affect similarly organized commercial banking institutions in the same jurisdiction generally that are in compliance with the law, rule, regulation or interpretation giving rise to the Regulatory Change relating to such Increased Cost; (c) if the Liquidity Provider shall fail to comply with its obligations under this Section 3.01 or (d) if the Liquidity Provider is not also seeking payment for similar increased costs in other similarly situated transactions related to the airline industry.

Section 3.02 Reserved.

Section 3.03 Withholding Taxes. (a) All payments made by the Borrower under this Agreement shall be made without deduction or withholding for or on account of any Taxes, unless such deduction or withholding is required by law. If any Taxes are so required to be withheld or deducted from any amounts payable to the Liquidity Provider under this Agreement, then, subject to Sections 2.07 and 2.09, the Borrower shall pay to the relevant authorities the full amount so required to be deducted or withheld and, without duplication of any rights created by Section 3.01, if such Taxes are Covered Taxes, pay to the Liquidity Provider such additional amounts as shall be necessary to ensure that the net amount actually received by the Liquidity Provider (after deduction or withholding of all Covered Taxes) shall be equal to the full amount that would have been received by the Liquidity Provider had no withholding or deduction of Covered Taxes been required. The Liquidity Provider agrees to use reasonable efforts (consistent with applicable legal and regulatory restrictions) to change the jurisdiction of its Lending Office if making such change would avoid the need for, or reduce the amount of, any such additional amounts that may thereafter accrue and would not, in the reasonable judgment of the Liquidity Provider, be otherwise materially disadvantageous to the Liquidity Provider.

If the Liquidity Provider receives a refund of, or realizes a net Tax benefit not otherwise available to it as a result of, any Taxes for which additional amounts were paid by the Borrower pursuant to this Section 3.03, the Liquidity Provider shall pay to the Borrower (for deposit into the Collection Account) the amount of such refund (and any interest thereon received from the taxing authority) or net Tax benefit.

The Liquidity Provider will (i) provide (on its behalf and on behalf of any participant holding a Participation pursuant to Section 7.08) to the Borrower (x) on or prior to the Effective Date two valid completed and executed copies of Internal Revenue Service Form W-9, W-8BEN-E or W-8ECI (whichever is applicable), including thereon a valid U.S. taxpayer identification number (or, with respect to any such participant, such other form or documentation as may be applicable) covering all amounts receivable by it in connection with the transactions contemplated by the Operative Agreements and (y) thereafter from time to time such additional forms or documentation as may be necessary to establish an available exemption from withholding of United States Tax on payments hereunder so that such forms or documentation are effective for all periods during which it is the Liquidity Provider and (ii) provide timely notice to the Borrower if any such form or documentation is or becomes inaccurate. The Liquidity Provider shall deliver to the Borrower such other forms or documents as may be reasonably requested by the Borrower or required by applicable law to establish that payments hereunder are exempt from or entitled to a reduced rate of Covered Taxes.

(b) All payments (including, without limitation, Advances) made by the Liquidity Provider under this Agreement shall be made free and clear of, and without reduction for or on account of, any Taxes. If any Taxes are required to be withheld or deducted from any amounts payable to the Borrower under this Agreement, the 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) will be sufficient to yield to the Borrower the full amount which would have been received by it had no such withholding or deduction been made. Within 30 days after the date of each payment hereunder, the 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.

On or before the Closing Date, the Borrower shall provide the Liquidity Provider with its fully executed Internal Revenue Service Form W-9, evidencing a complete exemption from U.S. federal withholding Tax and backup withholding, and shall provide an updated Internal Revenue Service Form W-9 upon the Liquidity Provider's reasonable written request. If any exemption from, or reduction in the rate of, any Taxes required to be borne by the Liquidity Provider under this Section 3.03(b) is reasonably available to the Borrower without providing any information regarding the holders or beneficial owners of the Certificates, the Borrower shall deliver the Liquidity Provider such form or forms and such other evidence of the eligibility of the Borrower for such exemption or reductions (but without any requirement to provide any information regarding the holders or beneficial owners of the Certificates) as the Liquidity Provider may reasonably identify to the Borrower as being required as a condition to exemption from, or reduction in the rate of, such Taxes.

(c) If a payment made hereunder to the Liquidity Provider would be subject to U.S. federal withholding Tax imposed by FATCA if the Liquidity Provider were to fail to comply with the applicable reporting requirement of FATCA (including without limitation those contained in Section 1471(b) or 1472(b) of the Code, as applicable), the Liquidity Provider shall deliver to the Borrower at the time or times prescribed by law and at such time or times reasonably requested by the Borrower such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower as may be necessary for the Borrower to comply with the Borrower's obligations under FATCA and to determine whether the Liquidity Provider has complied with the Liquidity Provider's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this paragraph, "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Section 3.04 Payments. Subject to Sections 2.07 and 2.09, the Borrower shall make or cause to be made each payment to the Liquidity Provider under this Agreement so as to cause the same to be received by the 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 Dollars, to the Liquidity Provider in immediately available funds, by wire transfer to the account of [ ]; or to such other U.S. bank account as the 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 Sections 2.07 and 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 or Applied Special Termination Advance, from and including the date on which the amount thereof was withdrawn from the Class AA Cash Collateral Account to pay interest on the Class AA Certificates) to but excluding the date such principal amount shall be paid in full (or, in the case of an Applied Provider Advance or Applied Special Termination Advance, the date on which the Class AA Cash Collateral Account is fully replenished in respect of such Advance) and (ii), to the extent permitted by law, any other amount due hereunder (whether fees, commissions, expenses or other amounts or 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 the interest rate per annum for each day that such amount remains overdue and unpaid equal to the Applicable Liquidity Rate for such Advance or such other amount, as the case may be, as in effect for such day, but in no event in any case referred to in clause (i) or (ii) above 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 to the maximum extent permitted by applicable law 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 absolute amount of interest that would have accrued (without additional interest thereon) if such otherwise applicable interest rate as set forth in this Section 3.07 had at all relevant times been in effect.

(b) Each Advance (other than a Provider Advance or a Special Termination 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 Liquidity Provider's receipt of the Notice of Borrowing for such Advance. Thereafter, such Advance shall be a LIBOR Advance, and an Applied Provider Advance and an Applied Special Termination Advance shall be a LIBOR Advance from the date of its withdrawal from the Class AA Cash Collateral Account unless the Borrower otherwise elects in writing that such Applied Provider Advance or Applied Special Termination Advance, as applicable, shall be a Base Rate 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, Unapplied Downgrade Advance or Unapplied Special Termination Advance (each, an "**Unapplied Advance**"), as the case may be, shall bear interest, payable in arrears on each Regular Distribution Date, in an amount equal to (i) the Investment Earnings on the amounts on deposit in the Class AA Cash Collateral Account on account of such Unapplied Advance during the period beginning on the later of the date of deposit of such Unapplied Advance and the preceding Regular Distribution Date and ending on the last day prior to such Regular Distribution Date, plus (ii) an amount equal to interest at the Applicable Margin on the amount of such Unapplied Advance during such period.

(f) Each amount not paid when due hereunder (whether fees, commissions, expenses or other amounts or installments of interest on Advances but excluding Advances) shall bear interest, to the extent permitted by applicable law, at a rate per annum equal to the Base Rate plus 2.0% per annum until paid.

(g) If at any time, the Liquidity Provider shall have determined (which determination shall be conclusive and binding upon the Borrower, absent manifest error) that, by reason of circumstances affecting the relevant interbank lending market generally (other than a Benchmark Replacement Event), the LIBOR Rate determined or to be determined for the current or next succeeding Interest Period will not adequately and fairly reflect the cost to the Liquidity Provider (as conclusively certified by the Liquidity Provider, absent manifest error) of making or maintaining Advances, the Liquidity Provider shall give facsimile or telephonic notice thereof (a "***Rate Determination Notice***") to the Borrower and FedEx. If such notice is given, then the outstanding principal amount of the LIBOR Advances shall be converted to Base Rate Advances effective from the date of the Rate Determination Notice; provided that the Applicable Liquidity Rate in respect of such Base Rate Advances shall be increased by one percent (1.00%). The Liquidity Provider shall withdraw a Rate Determination Notice given hereunder when the Liquidity Provider determines that the circumstances giving rise to such Rate Determination Notice no longer apply to the Liquidity Provider, and the Base Rate Advances shall be converted to LIBOR Advances effective as of the first day of the next succeeding Interest Period after the date of such withdrawal.

(h) 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***".

(i) Without prejudice to any other provision of this Agreement, each party hereto acknowledges for the benefit of the other party: (i) the London Interbank Offered Rate (A) may be subject to methodological or other changes which could affect its value and/or (B) may be permanently discontinued; and (ii) the occurrence of either of the aforementioned events and/or a Benchmark Replacement Event may have adverse consequences which may materially impact the economics of the transactions contemplated by the Operative Agreements.

Section 3.08 Replacement of Borrower. Subject to Section 5.02, from time to time and subject to the successor Borrower's meeting the eligibility requirements set forth in Section 6.09 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 VIII** (a "***Notice of Replacement Subordination Agent***") delivered to the Liquidity Provider by the then Borrower, the successor Borrower designated therein shall become the Borrower for all purposes hereunder.

Section 3.09 Funding Loss Indemnification. The Borrower shall pay to the Liquidity Provider, upon the request of the Liquidity Provider, such amount or amounts as shall be sufficient (in the reasonable opinion of the 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 Liquidity Provider to fund or maintain any LIBOR Advance (but excluding loss of the Applicable Margin or 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 law, rule or regulation applicable to or binding on the Liquidity Provider, or any change in the interpretation or administration thereof by any governmental authority, court central bank or comparable agency charged with the interpretation or administration thereof, or compliance by the Liquidity Provider (or its Head 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 Liquidity Provider (or its Head Office) to maintain or fund its LIBOR Advances, then upon notice to the Borrower and FedEx by the Liquidity Provider, the outstanding principal amount of the LIBOR Advances shall be converted to Base Rate Advances (a) immediately upon demand of the Liquidity Provider, if such change or compliance with such request, in the reasonable judgment of the Liquidity Provider, requires immediate conversion; or (b) at the expiration of the last Interest Period to expire before the effective date of any such change or request. The Liquidity Provider will notify the Borrower and FedEx as promptly as practicable of any event that will or to its knowledge is reasonably likely to lead to the conversion of LIBOR Advances to Base Rate Advances under this Section 3.10; provided that a failure by the Liquidity Provider to notify the Borrower or FedEx of an event that is reasonably likely to lead to such a conversion prior to the time that it is determined that such event will lead to such a conversion shall not prejudice the rights of the Liquidity Provider under this Section 3.10. The Liquidity Provider agrees to investigate all commercially reasonable alternatives for avoiding the need for such conversion, including, without limitation, designating a different Lending Office, if such designation or other action would avoid the need to convert such LIBOR Advances to Base Rate Advances; provided that the foregoing shall not obligate the Liquidity Provider to take any action that would, in its reasonable judgment, cause the Liquidity Provider to incur any material loss or cost, unless the Borrower or FedEx agrees to reimburse or indemnify the Liquidity Provider therefor. If no such designation or other action is effected, or, if effected, fails to avoid the need for conversion of the LIBOR Advances to Base Rate Advances, FedEx may arrange for a Replacement Liquidity Facility in accordance with Section 3.05(e) of the Intercreditor Agreement.

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 by the appropriate party or parties):

(a) The Liquidity Provider shall have received on or before the Closing Date 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 Liquidity Provider:

(i) This Agreement and the Fee Letter duly executed on behalf of the Borrower and, in the case of the Fee Letter, FedEx;

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

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

(v) An executed copy of each opinion (other than the negative assurance letters of internal counsel of FedEx and of Davis Polk & Wardwell LLP, special counsel to FedEx, and the opinion and the negative assurance letter of Milbank LLP, special counsel to the Underwriters) delivered on the Closing Date pursuant to the Underwriting Agreement (in the case of each such opinion, either addressed to the Liquidity Provider or accompanied by a letter from the counsel rendering such opinion to the effect that the Liquidity Provider is entitled to rely on such opinion as of its date as if it were addressed to the Liquidity Provider);

(vi) An executed copy of each document, instrument, certificate and opinion delivered on or before the Closing Date pursuant to the Class AA Trust Agreement, the Intercreditor Agreement and the other Operative Agreements (in the case of each such opinion, either addressed to the Liquidity Provider or accompanied by a letter from the counsel rendering such opinion to the effect that the Liquidity Provider is entitled to rely on such opinion as of its date as if it were addressed to the Liquidity Provider);

(vii) An agreement from FedEx, pursuant to which (x) FedEx agrees to provide copies of either (A) a consolidated balance sheet of FedEx and its consolidated subsidiaries prepared by it as of each of the first three quarterly periods in each fiscal year, together with the related consolidated statements of income for such period or (B) a report of FedEx Corporation on Form 10-Q in respect of such period in the form filed with the Securities and Exchange Commission and either (A) a consolidated balance sheet of FedEx and its consolidated subsidiaries as of the close of each fiscal year, together with the related consolidated statements of income for such fiscal year, certified by independent public accountants, or (B) a report of FedEx Corporation on Form 10-K in respect of such year in the form filed with the Securities and Exchange Commission and (y) FedEx agrees to allow the Liquidity Provider to discuss the transactions contemplated by the Operative Agreements with officers of FedEx; provided that such discussions shall not take place more frequently than once per year unless a Liquidity Event of Default has occurred and is continuing and there is a Performing Note Deficiency; and

(viii) Such other documentation as the Liquidity Provider shall have reasonably requested to satisfy its "know your customer" policies.

(b) On and as of the Effective Date no event shall have occurred and be 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 Liquidity Provider shall have received payment in full of the fees and other sums required to be paid to or for the account of the Liquidity Provider on or prior to the Effective Date pursuant to the Fee Letter.

(d) All conditions precedent to the issuance of the Certificates under the Trust Agreements shall have been satisfied or waived, all conditions precedent to the effectiveness of the other Liquidity Facilities shall have been satisfied or waived, and all conditions precedent to the purchase of the Class AA Certificates by the Underwriters under the Underwriting Agreement shall have been satisfied (unless any of such conditions precedent under the Underwriting Agreement shall have been waived by the Underwriters).

(e) The Borrower and FedEx shall have received a certificate, dated the Effective Date signed by a duly authorized representative of the Liquidity Provider, certifying that all conditions precedent specified in this Section 4.01 have been satisfied or waived by the Liquidity Provider.

Section 4.02 Conditions Precedent to Borrowing. The obligation of the 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, prior to the time of such Borrowing, the Borrower shall have delivered a Notice of Borrowing which conforms to the terms and conditions of this Agreement.

Section 4.03 Representations and Warranties. The representations and warranties of the Borrower as Subordination Agent in Sections 5.01(a), (b), (c), and (d) of the Participation Agreements shall be deemed to be incorporated into this Agreement as if set out in full herein and as if such representations and warranties were made by the Borrower to the Liquidity Provider.

ARTICLE V

COVENANTS

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

(a) Performance of Agreements. Subject to Sections 2.07 and 2.09, punctually pay or cause to be paid all amounts payable by it under this Agreement and the Intercreditor Agreement and observe and perform in all material respects the conditions, covenants and requirements applicable to it contained in this Agreement and the Intercreditor Agreement;

(b) Reporting Requirements. Furnish to the 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 Liquidity Provider; and permit the 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; and

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

Section 5.02 Negative Covenants of the Borrower. Subject to the first and fourth paragraphs of Section 7.01(a) of the Intercreditor Agreement and Section 7.01(b) of the Intercreditor Agreement, so long as any Advance shall remain unpaid or the Liquidity Provider shall have any Maximum Available Commitment hereunder or the Borrower shall have any obligation to pay any amount to the 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 Liquidity Provider, which consent shall not be unreasonably withheld or delayed.

ARTICLE VI

LIQUIDITY EVENTS OF DEFAULT AND SPECIAL TERMINATION

Section 6.01 Liquidity Events of Default. (a) If any Liquidity Event of Default has occurred and is continuing and there is a Performing Note Deficiency, the Liquidity Provider may, in its discretion, deliver to the Borrower and FedEx a Termination Notice, the effect of which shall be to cause (i) the Termination Date to occur on the fifth Business Day after the date on which such Termination Notice is received by the Borrower and FedEx, (ii) the Borrower to promptly request, and the Liquidity Provider to promptly make, a Final Advance in accordance with Section 2.02(c) hereof and Section 3.05(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, all Advances, any accrued interest thereon and any other amounts outstanding hereunder to become immediately due and payable to the Liquidity Provider.

(b) If the aggregate Pool Balance of the Class AA Certificates is greater than the aggregate outstanding principal amount of the Series AA Equipment Notes (other than any Series AA Equipment Notes previously sold by the Borrower or with respect to which the Aircraft related to such Series AA Equipment Notes has been disposed of by the Loan Trustee) at any time during the 18-month period ending on February 20, 2034, the Liquidity Provider may, in its discretion, deliver to the Borrower and FedEx a Special Termination Notice, the effect of which shall be to cause (i) the Termination Date to occur on the fifth Business Day after the date on which such Special Termination Notice is received by the Borrower and FedEx, (ii) the Borrower to promptly request, and the Liquidity Provider to promptly make, a Special Termination Advance in accordance with Section 2.02(d) hereof and Section 3.05(k) of the Intercreditor Agreement, and (iii) subject to Sections 2.07 and 2.09, all Advances (including, without limitation, any Unapplied Provider Advance), to be automatically treated as Special Termination Advances, subject to Section 6.01(a).

ARTICLE VII

MISCELLANEOUS

Section 7.01 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 Borrower and the Liquidity Provider and any other Person whose consent is required pursuant to this Agreement; provided that no such change or other action shall affect the payment obligations of FedEx or the rights of FedEx without FedEx's prior written consent; and any waiver of the terms hereof shall be effective only in the specific instance and for the specific purpose given.

Section 7.02 Notices. Unless otherwise expressly specified or permitted by the terms hereof, all notices, requests, demands, authorizations, directions, consents, waivers or documents required or permitted under the terms and provisions of this Agreement shall be in English and in writing, and given by United States registered or certified mail, by hand, courier service or facsimile, and any such notice shall be effective when delivered (or, if delivered by facsimile, upon completion of transmission and confirmation by the sender (by a telephone call to a representative of the recipient or by machine confirmation) that such transmission was received) addressed as follows:

If to the Borrower, to:

Wilmington Trust Company
1100 North Market Square
Wilmington, DE 19890-1605
Attention: Global Capital Market Services
Ref: FedEx 2020-1AA EETC
Telephone: [ ]
Telecopy: [ ]

If to the Liquidity Provider, to:

Middle office
BNP Paribas
525 Washington Blvd # 600

Jersey City NJ 07310
United States
Attention: Luis Montanti
Email: ito.credit.mo@us.bnpparibas.com

Loan Servicing

Loan Servicing Team
BNP Paribas
2001, Robert-Bourassa boulevard, Suite 900
Montreal, OC H3A 2A6
Canada
Attention: Patrizia Rizzo, Team Leader – Loan Servicing
Email: dl.nyk_ls_regional@us.bnpparibas.com

If to FedEx, to:

Federal Express Corporation
3610 Hacks Cross Road
Memphis, TN 38125
Attn: General Counsel

With copies to:

FedEx Corporation
942 S. Shady Grove Road
Memphis, TN 38120
Attn: Treasurer

With a separate FedEx Corporation copy to: Corporate Vice President, Securities & Corporate Law

Any party, by notice to the other party hereto, may designate additional or different addresses for subsequent notices or communications. Whenever the words "notice" or "notify" or similar words are used herein, they mean the provision of formal notice as set forth in this Section 7.02.

Notwithstanding anything to the contrary in this Agreement or any other Operative Agreement to which the Liquidity Provider is a party, the Liquidity Provider shall not be required to provide any notices under this Agreement or such other Operative Agreement to FedEx to the extent the giving of such notice is not permitted under applicable law, including as a result of a pending case under the Bankruptcy Code.

Section 7.03 No Waiver; Remedies. No failure on the part of the 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 Liquidity Provider such additional assignments, agreements, powers and instruments as the 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 Liquidity Provider its rights, powers and remedies hereunder and under the other Operative Agreements.

Section 7.05 Indemnification; Survival of Certain Provisions. The Liquidity Provider shall be indemnified hereunder to the extent and in the manner described in Section 4.02 of the Participation Agreements. In addition, the Borrower agrees to indemnify, protect, defend and hold harmless each Liquidity Indemnitee from and against, and shall pay on demand, all Expenses of any kind or nature whatsoever (other than any Expenses of the nature described in Sections 3.01, 3.03, 3.09 or 7.07 or in the Fee Letter (regardless of whether indemnified against pursuant to said Sections or in such Fee Letter)), that may be imposed on or incurred by or asserted against such 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, the Intercreditor Agreement or any Participation 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) an 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 or any other Operative Agreement to which it is a party or (iv) otherwise excluded from the indemnification provisions contained in Section 4.02 of the Participation Agreements. The provisions of Sections 3.01, 3.03, 3.09, 7.05 and 7.07 and the indemnities contained in Section 4.02 of the Participation Agreements shall survive the termination of this Agreement.

Section 7.06 Liability of the Liquidity Provider. (a) Neither the Liquidity Provider nor any of its officers, employees or 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 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 Liquidity Provider, and the Liquidity Provider shall be liable to the Borrower, to the extent of any damages suffered by the Borrower that were the result of (A) the 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 Liquidity Provider of any of its obligations under this Agreement or the Intercreditor Agreement, including, but not limited to, the Liquidity Provider's failure to make lawful payment hereunder after the delivery to it by the Borrower of a Notice of Borrowing complying with the terms and conditions hereof. In no event, however, shall the Liquidity Provider be liable on any theory of liability for any special, indirect, consequential or punitive damages (including, without limitation, loss of profits, business or anticipated savings).

(b) Neither the Liquidity Provider nor any of its officers, employees or 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 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 Certain Costs and Expenses. The Borrower agrees promptly to pay, or cause to be paid, (a) the reasonable fees, expenses and disbursements of Hughes Hubbard & Reed LLP, special counsel for the Liquidity Provider, in connection with the preparation, negotiation, execution, delivery, filing and recording of the Operative Agreements and any other document delivered in connection therewith, any waiver or consent thereunder or any amendment thereof (including any amendment relating to the replacement of the London Interbank Offered Rate as a component of the LIBOR Rate or otherwise in connection with a Benchmark Replacement Event or the establishment of a Benchmark Replacement Rate), (b) if a Liquidity Event of Default occurs, or otherwise in connection with the enforcement of any Operative Agreement, all out-of-pocket expenses incurred by the Liquidity Provider, including reasonable fees and disbursements of a single legal counsel, in connection with such Liquidity Event of Default or enforcement and any collection, bankruptcy, insolvency and other enforcement proceedings in connection therewith, (c) to the extent not paid by FedEx, any expenses incurred by the Liquidity Provider, including reasonable fees and disbursements of counsel, in connection with the replacement of this Agreement by a Replacement Liquidity Facility pursuant to Section 3.05(d)(i) of the Intercreditor Agreement, and (d) any and all expenses incurred by the Liquidity Provider in connection with any action or proceeding relating to any order, injunction, or other process or decree restraining or seeking to restrain the 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 Class AA 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 the United States in connection with the execution, delivery, filing and recording of this Agreement, any other Operative Agreement and such other documents, and agrees to save the 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 Liquidity Provider and their respective successors and permitted assigns, except that neither the 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, pledge or otherwise transfer its rights or obligations hereunder or any interest herein, subject to the Liquidity Provider's right to grant Participations pursuant to Section 7.08(b).

(b) The Liquidity Provider agrees that it will not grant any participation (including, without limitation, a "risk participation") (any such participation, a "***Participation***") in or to all or a portion of its rights and obligations hereunder or under the other Operative Agreements, unless all of the following conditions are satisfied: (i) such Participation is to a Permitted Transferee, (ii) such Participation is made in accordance with all applicable laws, including, without limitation, the Securities Act of 1933, as amended, the Trust Indenture Act of 1939, as amended, any laws or regulations imposing U.S. economic sanctions measures or any orders or licenses issued thereunder and any other applicable laws relating to the transfer of similar interests and (iii) such Participation shall not be made under circumstances that require registration under the Securities Act of 1933, as amended, or qualification of any indenture under the Trust Indenture Act of 1939, as amended. Notwithstanding any such Participation, the Liquidity Provider agrees that (1) the Liquidity Provider's obligations under the Operative Agreements shall remain unchanged, and such participant shall have no rights or benefits as against FedEx or the Borrower or under any Operative Agreement, (2) the Liquidity Provider shall remain solely responsible to the other parties to the Operative Agreements for the performance of such obligations, (3) the Liquidity Provider shall remain the maker of any Advances, and the other parties to the Operative Agreements shall continue to deal solely and directly with the Liquidity Provider in connection with the Advances and the Liquidity Provider's rights and obligations under the Operative Agreements, (4) the Liquidity Provider shall be solely responsible for any withholding Taxes or any filing or reporting requirements relating to such Participation and shall hold the Borrower and FedEx and their respective successors, permitted assigns, affiliates, agents and servants harmless against the same and (5) neither FedEx nor the Borrower shall be required to pay to the Liquidity Provider any amount under Section 3.01 or Section 3.03 greater than it would have been required to pay had there not been any grant of a Participation by the Liquidity Provider. The Liquidity Provider may, in connection with any Participation or proposed Participation pursuant to this Section 7.08(b), disclose to the participant or proposed participant any information relating to the Operative Agreements or to the parties thereto furnished to the Liquidity Provider thereunder or in connection therewith and permitted to be disclosed by the Liquidity Provider; provided, however, that prior to any such disclosure, the participant or proposed participant shall agree in writing for the express benefit of the Borrower and FedEx to preserve the confidentiality of any confidential information included therein (subject to customary exceptions).

The Borrower acknowledges and agrees that the Liquidity Provider's source of funds may derive in part from its participants. Accordingly, in determining amounts due by the Borrower to the Liquidity Provider pursuant to Section 3.01 and Section 3.03 of this Agreement, references in this Agreement to determinations, reserve, liquidity and capital adequacy requirements, increased costs, reduced receipts, additional amounts due pursuant to Section 3.03 as they pertain to the Liquidity Provider shall be deemed also to include those of each of its participants that are commercial banking institutions and of whose participation the Borrower has been notified, in each case up to the maximum amount that would have been incurred by or attributable to the Liquidity Provider directly had there not been any grant of a Participation by the Liquidity Provider, and references to the Liquidity Provider therein and in related definitions shall be treated as references to such participants where applicable; provided that in any event, neither FedEx nor the Borrower shall be required to pay any amount under Section 3.01 or Section 3.03 greater than it would have been required to pay had there not been any grant of a Participation by the Liquidity Provider.

The Liquidity Provider shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each participant and the principal amounts (and stated interest) of each participant's interest under this Agreement (the "***Participant Register***"); *provided* that the Liquidity Provider shall not have any obligation to disclose all or any portion of the Participant Register (including the identity of any participant or any information relating to a participant's interest in any commitments, loans or its other obligations) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and the Liquidity Provider shall treat each Person whose name is recorded in the Participant Register as the owner of such Participation for all purposes of this Agreement notwithstanding any notice to the contrary.

(c) Notwithstanding the other provisions of this Section 7.08, the 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 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 Liquidity Provider from its obligations hereunder.

Section 7.09 Severability. To the extent permitted by applicable law, 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 7.10 Governing Law. THIS AGREEMENT HAS BEEN DELIVERED IN THE STATE OF NEW YORK AND THIS AGREEMENT SHALL 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 7.11 Submission to Jurisdiction; Waiver of Jury Trial; Waiver of Immunity. (a) Each of the parties hereto, to the extent it may do so under applicable law, for purposes hereof hereby (i) irrevocably submits itself to the non-exclusive jurisdiction of the courts of the State of New York sitting in the City of New York and to the non-exclusive jurisdiction of the United States District Court for the Southern District of New York located in the Borough of Manhattan for the purposes of any suit, action or other proceeding arising out of this Agreement, the subject matter hereof or any of the transactions contemplated hereby brought by any party or parties hereto or thereto, or their successors or permitted assigns, (ii) waives, and agrees not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, 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 this Agreement or the subject matter hereof or any of the transactions contemplated hereby may not be enforced in or by such courts, (iii) agrees that service of process in any such suit, 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 each party 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 of the Liquidity Provider to sue in any other jurisdiction.

(b) THE BORROWER AND THE 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 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. TO THE EXTENT PERMITTED BY APPLICABLE LAW, 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.

(c) To the extent that the Liquidity Provider or any of its properties has or may hereafter acquire any right of immunity, whether characterized as sovereign immunity or otherwise, and whether under the United States Foreign Sovereign Immunities Act of 1976 (or any successor legislation) or otherwise, from any legal proceedings, whether in the United States or elsewhere, to enforce or collect upon this Agreement, including, without limitation, immunity from suit or service of process, immunity from jurisdiction or judgment of any court or tribunal or execution of a judgment, or immunity of any of its property from attachment prior to any entry of judgment, or from attachment in aid of execution upon a judgment, the Liquidity Provider hereby irrevocably and expressly waives any such immunity, and agrees not to assert any such right or claim in any such proceeding, whether in the United States or elsewhere.

Section 7.12 Counterparts. This Agreement may be executed in any number of counterparts (and each party shall not be required to execute the same counterpart). Each counterpart of this Agreement including a signature page or pages executed by each of the parties hereto shall be an original counterpart of this Agreement, but all of such counterparts together shall constitute one instrument.

Section 7.13 Entirety. This Agreement and the Intercreditor Agreement constitute the entire agreement of the parties hereto with respect to the subject matter hereof and supersede all prior understandings and agreements of such parties.

Section 7.14 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 7.15 Liquidity Provider's Obligation to Make Advances. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, THE OBLIGATIONS OF THE LIQUIDITY PROVIDER TO MAKE ADVANCES HEREUNDER, AND THE BORROWER'S RIGHTS TO DELIVER NOTICES OF BORROWING REQUESTING THE MAKING OF ADVANCES HEREUNDER, SHALL BE ABSOLUTE, UNCONDITIONAL AND IRREVOCABLE, AND SHALL BE PAID OR PERFORMED, IN EACH CASE STRICTLY IN ACCORDANCE WITH THE TERMS OF THIS AGREEMENT.

Section 7.16 Patriot Act. The Liquidity Provider hereby notifies the Borrower that pursuant to the requirements of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 ("USA PATRIOT Act") it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow the Liquidity Provider to identify the Borrower in accordance with such Act.

Section 7.17 Acknowledgment and Consent to Bail-In of EEA Financial Institutions. Notwithstanding anything to the contrary in this Agreement or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under this Agreement, to the extent such liability is unsecured, may be subject to Write-Down and Conversion Powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement; or

(iii) the variation of the terms of such liability in connection with the exercise of Write-Down and Conversion Powers of any applicable Resolution Authority.

Section 7.18 Head Office Obligations. The Liquidity Provider is BNP Paribas, acting through its New York branch. The Liquidity Provider hereby agrees that, notwithstanding the place of booking or its jurisdiction of incorporation or organization, the obligations of the Liquidity Provider hereunder are also the obligations of the head office of BNP Paribas in Paris, France (the "***Head Office***"). Accordingly, any beneficiary of this Agreement will be able to proceed directly against the Head Office (subject to the effect of any applicable bankruptcy, liquidation, winding-up, insolvency, reorganization or similar laws affecting the rights of creditors generally, including all laws relating to administration or insolvency proceedings, to conciliation, nomination of an ad-hoc receiver or similar procedures), if the Liquidity Provider defaults in its obligations to such beneficiary under this Agreement.

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 AA Trust, as Borrower

By: /s/ Adam R. Vogelsong
Name: Adam R. Vogelsong
Title: Vice President

BNP PARIBAS, acting through its New York branch, as Liquidity Provider

By: /s/ Advait Joshi
Name: Advait Joshi
Title: Director

By: /s/ Chris Fukuoka
Name: Chris Fukuoka
Title: Vice President

FORM OF INTEREST ADVANCE NOTICE OF BORROWING

INTEREST ADVANCE NOTICE OF BORROWING

The undersigned, a duly authorized signatory of the undersigned borrower (the "***Borrower***"), hereby certifies to BNP Paribas (the "***Liquidity Provider***"), with reference to the Revolving Credit Agreement (2020-1AA), dated as of August 13, 2020, between the Borrower and the 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 Liquidity Provider to be used for the payment of the interest on the Class AA Certificates which is payable on _____, _____ (the "***Distribution Date***") in accordance with the terms and provisions of the Class AA Trust Agreement and the Class AA Certificates, which Advance is requested to be made on _____, ____. The Interest Advance should be remitted to [insert wire and account details].

(3) The amount of the Interest Advance requested hereby (i) is $ _____, to be applied in respect of the payment of the interest which is due and payable on the Class AA Certificates on the Distribution Date, (ii) does not include any amount with respect to the payment of principal of, or premium on, the Class AA Certificates, or principal of, or interest or premium on any Additional Certificates, if issued, (iii) was computed in accordance with the provisions of the Class AA Certificates, the Class AA 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 3.05(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,
as Subordination Agent, 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]

FORM OF NON-EXTENSION ADVANCE NOTICE OF BORROWING

NON-EXTENSION ADVANCE NOTICE OF BORROWING

The undersigned, a duly authorized signatory of the undersigned subordination agent (the "***Borrower***"), hereby certifies to BNP Paribas (the "***Liquidity Provider***"), with reference to the Revolving Credit Agreement (2020-1AA), dated as of August 13, 2020, between the Borrower and the 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 Liquidity Provider to be used for the funding of the Class AA Cash Collateral Account in accordance with Section 3.05(d) of the Intercreditor Agreement, which Advance is requested to be made on _____, ____. The Non-Extension Advance should be remitted to [insert wire and account details].

(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 Class AA Cash Collateral Account in accordance with Sections 3.05(d) and 3.05(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 AA Certificates, or principal of, or interest or premium on, any Additional Certificates, if issued, (iii) was computed in accordance with the provisions of the Class AA Certificates, the Liquidity Agreement, the Class AA 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 Class AA Cash Collateral Account and apply the same in accordance with the terms of Sections 3.05(d) and 3.05(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 Liquidity Provider to make further Advances under the Liquidity Agreement and (B) following the making by the 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,
as Subordination Agent, 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]

FORM OF DOWNGRADE ADVANCE NOTICE OF BORROWING

DOWNGRADE ADVANCE NOTICE OF BORROWING

The undersigned, a duly authorized signatory of the undersigned subordination agent (the "***Borrower***"), hereby certifies to BNP Paribas (the "***Liquidity Provider***"), with reference to the Revolving Credit Agreement (2020-1AA), dated as of August 13, 2020, between the Borrower and the 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 Liquidity Provider to be used for the funding of the Class AA Cash Collateral Account in accordance with Section 3.05(c)(iii) of the Intercreditor Agreement by reason of the Liquidity Facility provided under the Liquidity Agreement becoming a Downgraded Facility which has not been replaced by a Replacement Liquidity Facility, which Advance is requested to be made on _____, ____. The Downgrade Advance should be remitted to [insert wire and account details].

(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 Class AA Cash Collateral Account in accordance with Sections 3.05(c) and 3.05(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 AA Certificates, or principal of, or interest or premium on, any Additional Certificates, if issued, (iii) was computed in accordance with the provisions of the Class AA Certificates, the Class AA 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,

the Borrower will deposit such amount in the Class AA Cash Collateral Account and apply the same in accordance with the terms of Sections 3.05(c) and 3.05(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 reduce, subject to reinstatement in accordance with the terms of the Liquidity Agreement, the Maximum Available Commitment to zero and (B) following the making by the Liquidity Provider of the Downgrade Advance requested by this Notice of Borrowing, subject to reinstatement in accordance with the terms of the Liquidity Agreement, 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,
as Subordination Agent, 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]

FORM OF FINAL ADVANCE NOTICE OF BORROWING

FINAL ADVANCE NOTICE OF BORROWING

The undersigned, a duly authorized signatory of the undersigned borrower (the "***Borrower***"), hereby certifies to BNP Paribas (the "***Liquidity Provider***"), with reference to the Revolving Credit Agreement (2020-1AA), dated as of August 13, 2020, between the Borrower and the 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 Liquidity Provider to be used for the funding of the Class AA Cash Collateral Account in accordance with Section 3.05(i) of the Intercreditor Agreement by reason of the receipt by the Borrower of a Termination Notice from the Liquidity Provider with respect to the Liquidity Agreement, which Advance is requested to be made on _____, ____. The Final Advance should be remitted to [insert wire and account details].

(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 Class AA Cash Collateral Account in accordance with Sections 3.05(f) and 3.05(i) of the Intercreditor Agreement, (ii) does not include any amount with respect to the payment of principal of, or premium on, the Class AA Certificates, or principal of, or interest or premium on, any Additional Certificates, if issued, (iii) was computed in accordance with the provisions of the Class AA Certificates, the Class AA 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 Class AA Cash Collateral Account and apply the same in accordance with the terms of Sections 3.05(f) and 3.05(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.

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 Liquidity Provider to make further Advances under the Liquidity Agreement and (B) following the making by the 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,
as Subordination Agent, as Borrower

By: _____
Name:
Title:

[* Bracketed language may be included at Borrower's option.]

SCHEDULE 1 TO FINAL ADVANCE NOTICE OF BORROWING

[Insert Copy of Computations in accordance with Final Advance Notice of Borrowing]

FORM OF SPECIAL TERMINATION
ADVANCE NOTICE OF BORROWING

SPECIAL TERMINATION ADVANCE NOTICE OF BORROWING

The undersigned, a duly authorized signatory of the undersigned borrower (the "***Borrower***"), hereby certifies to BNP Paribas (the "***Liquidity Provider***"), with reference to the Revolving Credit Agreement (2020-1AA), dated as of August 13, 2020, between the Borrower and the 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 Special Termination Advance by the Liquidity Provider to be used for the funding of the Class AA Cash Collateral Account in accordance with Section 3.05(k) of the Intercreditor Agreement by reason of the receipt by the Borrower of a Special Termination Notice from the Liquidity Provider with respect to the Liquidity Agreement, which Advance is requested to be made on _____.

(3) The amount of the Special Termination 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 Class AA Cash Collateral Account in accordance with Sections 3.05(f) and 3.05(k) of the Intercreditor Agreement, (ii) does not include any amount with respect to the payment of principal of, or premium on, the Class AA Certificates, or principal of, or interest or premium on, any Additional Certificates, if issued, (iii) was computed in accordance with the provisions of the Class AA Certificates, the Class AA 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 shall deposit such amount in the Class AA Cash Collateral Account and apply the same in accordance with the terms of Sections 3.05(f) and 3.05(k) 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 Special Termination Advance as requested by this Notice of Borrowing shall automatically and irrevocably terminate the obligation of the Liquidity Provider to make further Advances under the Liquidity Agreement; and (B) following the making by the Liquidity Provider of the Special Termination 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,
as Subordination Agent, as Borrower

By: _____
Name:
Title:

SCHEDULE 1 TO SPECIAL TERMINATION ADVANCE NOTICE OF BORROWING

[Insert Copy of Computations in accordance with Special Termination Advance Notice of Borrowing]

FORM OF NOTICE OF TERMINATION

NOTICE OF TERMINATION

[Date]

Wilmington Trust Company,
as Subordination Agent,
as Borrower
[1100 North Market Square
Wilmington, DE 19890-1605
Attention: Global Capital Market Services
Ref: FedEx 2020-1 EETC]

Re: Revolving Credit Agreement (2020-1AA), dated as of August 13, 2020, between Wilmington Trust Company, as Subordination Agent, as agent and trustee for the FedEx Pass Through Trust 2020-1AA, as Borrower, and BNP Paribas (the "***Liquidity Agreement***")

Ladies and Gentlemen:

You are hereby notified that pursuant to Section 6.01(a) of the Liquidity Agreement, by reason of the occurrence and continuance of a Liquidity Event of Default and the existence of a Performing Note Deficiency (each as defined in the Liquidity Agreement), we are giving this notice to you in order to cause (i) our obligations to make Advances (as defined in the Liquidity Agreement) 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 2.02(c) of the Liquidity Agreement and Section 3.05(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,

BNP PARIBAS, acting through its New York branch, as Liquidity Provider

By: _____

Name:

Title:

cc: Wilmington Trust Company, as Class AA Trustee
FedEx

FORM OF NOTICE OF SPECIAL TERMINATION

NOTICE OF SPECIAL TERMINATION

[Date]

Wilmington Trust Company,
as Subordination Agent,
as Borrower
[1100 North Market Square
Wilmington, DE 19890-1605
Attention: Global Capital Market Services
Ref: FedEx 2020-1 EETC]

Re: Revolving Credit Agreement (2020-1AA), dated as of August 13, 2020, between Wilmington Trust Company, as Subordination Agent, as agent and trustee for the FedEx Pass Through Trust 2020-1AA, as Borrower, and BNP Paribas (the "***Liquidity Agreement***")

Ladies and Gentlemen:

You are hereby notified that pursuant to Section 6.01(b) of the Liquidity Agreement, by reason of the aggregate Pool Balance of the Class AA Certificates exceeding the aggregate outstanding principal amount of the Series AA Equipment Notes (other than any Series AA Equipment Notes previously sold or with respect to which the Aircraft related to such Series AA Equipment Notes has been disposed of) during the 18-month period prior to February 20, 2034, we are giving this notice to you in order to cause (i) our obligations to make Advances (as defined in the Liquidity Agreement) 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 Special Termination Advance under the Liquidity Agreement pursuant to Section 2.02(d) of the Liquidity Agreement and Section 3.05(k) 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 SPECIAL 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,

BNP PARIBAS, acting through its New York branch, as Liquidity Provider

By: _____

Name:

Title:

cc: Wilmington Trust Company, as Class AA Trustee
FedEx

FORM OF NOTICE OF REPLACEMENT SUBORDINATION AGENT

NOTICE OF REPLACEMENT SUBORDINATION AGENT

[Date]

Attention:

Re: Revolving Credit Agreement (2020-1AA), dated as of August 13, 2020, between Wilmington Trust Company, as Subordination Agent, as agent and trustee for the FedEx Pass Through Trust 2020-1AA, as Borrower, and BNP Paribas (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 7.01 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.

This transfer shall be effective as of [specify time and date].

WILMINGTON TRUST COMPANY,
as Subordination Agent, as Borrower

By: _____
Name:
Title:

Exhibit 4.7

EXECUTION VERSION

PARTICIPATION AGREEMENT
(N126FE)

Dated as of August 13, 2020

among

FEDERAL EXPRESS CORPORATION,

WILMINGTON TRUST COMPANY,
as Pass Through Trustee under the
Pass Through Trust Agreement,

WILMINGTON TRUST COMPANY,
as Subordination Agent,

WILMINGTON TRUST COMPANY,
as Loan Trustee,

and

WILMINGTON TRUST COMPANY,
in its individual capacity as set forth herein

One Boeing 767-3S2F

(Generic Manufacturer and Model Boeing 767-300F) Aircraft
U.S. Registration No. N126FE

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PARTICIPATION AGREEMENT
(N126FE)

This PARTICIPATION AGREEMENT (N126FE), dated as of August 13, 2020, is made by and among FEDERAL EXPRESS CORPORATION, a Delaware corporation (together with its successors and permitted assigns, "Company"), WILMINGTON TRUST COMPANY, a Delaware trust company (in its individual capacity, together with its successors and permitted assigns, "WTC"), not in its individual capacity except as otherwise expressly provided in any of the Operative Documents or the Pass Through Documents, but solely as Pass Through Trustee under the Pass Through Trust Agreement (such terms and other capitalized terms used herein without definition being defined as provided in Section 1.01), WILMINGTON TRUST COMPANY, a Delaware trust company, as subordination agent and trustee (in such capacity, together with any successor trustee in such capacity, "Subordination Agent") under the Intercreditor Agreement, and WILMINGTON TRUST COMPANY, a Delaware trust company, as loan trustee (in such capacity, together with any successor trustee in such capacity, "Loan Trustee") under the Indenture.

WITNESSETH:

WHEREAS, Company is the owner of that certain Boeing Model 767-3S2F aircraft more particularly described in the Indenture Supplement originally executed and delivered under the Indenture;

WHEREAS, concurrently with the execution and delivery of this Agreement, Company and Loan Trustee are entering into the Indenture, pursuant to which, among other things, Company will issue one series of Equipment Notes, which Equipment Notes are to be secured by a security interest in all right, title and interest of Company in and to the Aircraft and certain other property described in the Indenture;

WHEREAS, pursuant to the Basic Pass Through Trust Agreement and the Trust Supplement set forth in Schedule II, the Pass Through Trust was created and the Pass Through Certificates issued and sold;

WHEREAS, pursuant to the Intercreditor Agreement, Subordination Agent will hold the Equipment Notes on behalf of the Pass Through Trust;

NOW, THEREFORE, in consideration of the foregoing premises and 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 1

DEFINITIONS

Section 1.01. Definitions. For the purposes of this Agreement, unless the context otherwise requires, capitalized terms used but not defined herein shall have the respective meanings set forth or incorporated by reference in Annex A.

Section 1.02. Other Definitional Provisions. (a) The definitions stated herein and in Annex A apply equally to both the singular and the plural forms of the terms defined.

(a) All references in this Agreement to designated "Articles", "Sections", "Subsections", "Schedules", "Exhibits", "Annexes" and other subdivisions are to the designated Article, Section, Subsection, Schedule, Exhibit, Annex or other subdivision of this Agreement, unless otherwise specifically stated.

(b) 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, Subsection, Schedule, Exhibit, Annex or other subdivision.

(c) All references in this Agreement to a "government" are to such government and any instrumentality or agency thereof.

(d) Unless the context otherwise requires, whenever the words "including", "include" or "includes" are used herein, they shall be deemed to be followed by the phrase "without limitation".

(e) All references in this Agreement to a Person shall include successors and permitted assigns of such Person.

ARTICLE 2

THE LOANS

Section 2.01. The Loans. Subject to the terms and conditions of this Agreement and the Indenture, on the Closing Date, Pass Through Trustee for each Pass Through Trust shall make a loan to Company by paying to Company the aggregate original principal amounts of the Equipment Notes being issued to such Pass Through Trust as set forth on Schedule I opposite the name of such Pass Through Trust. Pass Through Trustees, on behalf of the Pass Through Trusts, shall make such loans to Company no later than 11:00 a.m. (New York City time) on the Closing Date by transferring such amount in immediately available funds to Company at its account at [ ] Account Name: FedEx Express, with the request that the bank advise Company by telephone at [ ] upon transfer of the funds.

Section 2.02. Issuance of Equipment Notes. Upon the occurrence of the above payments by Pass Through Trustee for each Pass Through Trust to Company, Company shall issue, pursuant to and in accordance with Article II of the Indenture, to Subordination Agent as agent and trustee for Pass Through Trustee for each Pass Through Trust, one or more Equipment Notes of the maturity and aggregate original principal amount and bearing the interest rate set forth in Schedule I opposite the name of such Pass Through Trust. Each such Equipment Note shall be duly authenticated by Loan Trustee pursuant to the Indenture, registered in the name of Subordination Agent and dated the Closing Date and shall be delivered by Loan Trustee to Subordination Agent. In addition, subject to Section 8.01(c) or 8.01(d) of the Intercreditor Agreement, as applicable, Company shall have the option after the Closing Date, at any time and from time to time, (i) to issue one or more Series of Additional Series Equipment Notes under the Indenture (including, for the avoidance of doubt, multiple issuances at the same or different times resulting in more than one Series of Additional Series Equipment Notes being outstanding at any time) and (ii) at any time following the payment in full at maturity or otherwise of all but not less than all of any Series of Additional Series Equipment Notes, to issue, to a grantor trust newly formed for such purpose, under the Indenture new Equipment Notes with the same Series designation as, but with terms that may be the same as or different from those of, such Equipment Notes that have been paid in full. If Additional Series Equipment Notes or new Additional Series Equipment Notes are so issued after the Closing Date, each Noteholder of such Equipment Notes shall be deemed to be a party hereto without further act, and shall be entitled to execute, and at the request of Company shall execute, a counterpart to this Agreement. Subject to Section 8.01(c) or 8.01(d) of the Intercreditor Agreement, as applicable, each of the parties hereto agrees, at the Company's request, to enter into any amendments to (or any amendment and restatement of) this Agreement, any of the other Operative Documents and the Pass Through Documents as may be necessary or desirable (A) to give effect to (x) any redemption and issuance, any issuance or any payment and issuance of any such Additional Series Equipment Notes or new Additional Series Equipment Notes, as applicable, and the issuance of pass through certificates by any pass through trust that acquires any such Additional Series Equipment Notes or new Additional Series Equipment Notes, as applicable, or (y) any redemption and issuance, any issuance or any payment and issuance of any new or "Additional Series Equipment Notes" of any Series or new "Additional Series Equipment Notes" of any Series, in each case under any Related Indenture, and the issuance of pass through certificates by any pass through trust that acquires any such Additional Series Equipment Notes" or new "Additional Series Equipment Notes", as applicable, and (B) to make changes relating to any of the foregoing (including, without limitation, to provide for any prefunding mechanism in connection therewith) and to provide for any credit support for any pass through certificates relating to any such Additional Series Equipment Notes or new Additional Series Equipment Notes or "Additional Series Equipment Notes" of any Series or new "Additional Series Equipment Notes" of any Series in each case under any Related Indenture (including, without limitation, to provide for payment of fees, interest, expenses, reimbursement of advances and other obligations arising from such credit support (including, without limitation, to specify such credit support as a "Liquidity Facility" and the provider of any such credit support as a "Liquidity Provider" and, if such Liquidity Facility is to be comprised of more than one instrument, to incorporate appropriate mechanics for multiple Liquidity Facilities for a single Pass Through Trust)). For the avoidance of doubt, if Company shall issue "Additional Series Equipment Notes" of any Series or new "Additional Series Equipment Notes" of any Series, in each case under any Related Indenture, Company may, but shall not be required to, issue, as the case may be, Additional Series Equipment Notes of the same Series or new Additional Series Equipment Notes of the same Series, in each case under the Indenture.

Section 2.03. The Closing. The closing (the "Closing") of the transactions contemplated hereby shall take place via teleconference at [10:00] a.m. (New York City time) on August 13, 2020, or at such other time or place as the parties shall agree.

ARTICLE 3

CONDITIONS PRECEDENT

Section 3.01. Conditions Precedent to Obligations of Pass Through Trustees. The obligation of each Pass Through Trustee to make the loan contemplated by Article 2 is subject to the fulfillment (or the waiver by such Pass Through Trustee) prior to or on the Closing Date of the following conditions precedent:

(a) Authentication. Company shall have tendered the Equipment Notes being issued on the Closing Date to Loan Trustee for authentication, and Loan Trustee shall have authenticated such Equipment Notes and shall have tendered such Equipment Notes to Subordination Agent on behalf of the Pass Through Trustee, against receipt of the loan proceeds, in accordance with Section 2.02.

(b) No Changes in Law. No change shall have occurred after the date of this Agreement in applicable law or regulations thereunder or interpretations thereof by appropriate regulatory authorities or any court that would make it a violation of law or governmental regulations for Pass Through Trustees to make the loans contemplated by Section 2.01 or to acquire the Equipment Notes.

(c) Documentation. This Agreement and the following documents shall have been duly authorized, executed and delivered by the respective party or parties thereto (other than Pass Through Trustees or Loan Trustee), shall be in full force and effect and executed counterparts (or copies thereof where indicated) thereof shall have been delivered to each Pass Through Trustee:

(i) the Intercreditor Agreement;

(ii) the Liquidity Facility;

(iii) the Pass Through Trust Agreements;

(iv) the Indenture and the Indenture Supplement covering the Aircraft and dated the Closing Date;

(v) the Guarantee

(vi) the Manufacturer's Consent;

(vii) a copy of the FAA Bill of Sale; and

(viii) a copy of the Warranty Bill of Sale.

(d) Financing Statement. A Uniform Commercial Code financing statement or statements covering the security interest created by the Indenture naming Company, as debtor, and Loan Trustee, as secured party, shall have been (or shall be in the process of being) duly filed in all places necessary or desirable within the State of Delaware.

(e) Certain Closing Certificates. Each Pass Through Trustee shall have received the following:

(i) (x) a certificate dated the Closing Date of the Secretary or an Assistant Secretary of Company, certifying as to (A) a copy of the resolutions of the Board of Directors of Company or the executive or any other applicable committee thereof duly authorizing the transactions contemplated hereby and the execution, delivery and performance by Company of this Agreement and the Indenture and each other document required to be executed and delivered by Company in accordance with the provisions hereof or thereof and (B) a copy of the certificate of incorporation and by-laws of Company, as in effect on the Closing Date and (y) a certificate dated the Closing Date of the Secretary or an Assistant Secretary of Guarantor, certifying as to (A) a copy of the resolutions of the Board of Directors of Guarantor or the executive or any other applicable committee thereof duly authorizing the transactions contemplated hereby and the execution, delivery and performance by Guarantor of the Guarantee and each other document required to be executed and delivered by Guarantor in accordance with the provisions hereof or thereof and (B) a copy of the certificate of incorporation and by-laws of Guarantor, as in effect on the Closing Date;

(ii) a certificate or other evidence from the Secretary of State of the State of Delaware, dated as of a date reasonably near the Closing Date, as to the due incorporation and good standing of Company and the Guarantor in such state;

(iii) an incumbency certificate of (x) Company as to the person or persons authorized to execute and deliver this Agreement, the Indenture and each other document to be executed by Company in connection with the transactions contemplated hereby and thereby, and the specimen signatures of such person or persons and (y) Guarantor as to the person or persons authorized to execute and deliver the Guarantee and each other document to be executed by Guarantor in connection with the transactions contemplated hereby and thereby, and the specimen signatures of such person or persons; and

(iv) one or more certificates of Loan Trustee and Subordination Agent certifying to the reasonable satisfaction of Pass Through Trustees as to the due authorization, execution, delivery and performance by Loan Trustee and Subordination Agent of each of the Operative Documents to which Loan Trustee or Subordination Agent is or will be a party and any other documents to be executed by or on behalf of Loan Trustee or Subordination Agent in connection with the transactions contemplated hereby or thereby.

(f) Representations; No Event of Default or Event of Loss. On the Closing Date, the following statements shall be correct: (i) the representations and warranties of (x) Company herein are correct in all material respects as though made on and as of such date, except to the extent that such representations and warranties relate solely to an earlier date (in which case such representations and warranties are correct on and as of such earlier date) and (y) made by Guarantor in the Guarantee are correct in all material respects as though made on and as of such date, except to the extent that such representations and warranties relate solely to an earlier date (in which case such representations and warranties are correct on and as of such earlier date) and (ii) no event has occurred and is continuing that constitutes an Event of Default or an Event of Loss with respect to the Aircraft or would constitute an Event of Default or such an Event of Loss but for the requirement that notice be given or time elapse or both.

(g) Opinion of Counsel to Company. Each Pass Through Trustee and Loan Trustee shall have received (i) an opinion addressed to it from the General Counsel, an Associate General Counsel or an Assistant General Counsel of FedEx Corporation (or from such other internal counsel to FedEx Corporation as shall be reasonably satisfactory to Pass Through Trustees) substantially in the form set forth in **Exhibit A-1** and (ii) an opinion addressed to it from Davis Polk & Wardwell LLP substantially in the form set forth in **Exhibit A-2**.

(h) Opinion of Counsel to WTC, Loan Trustee, Pass Through Trustee and Subordination Agent. Each Pass Through Trustee and Loan Trustee shall have received an opinion addressed to it from Morris James LLP, special counsel for WTC, Loan Trustee, Pass Through Trustees and Subordination Agent, substantially in the form set forth in **Exhibit B**.

(i) Opinion of FAA Counsel. Each Pass Through Trustee and Loan Trustee shall have received an opinion addressed to it from Crowe & Dunlevy, a Professional Corporation, special FAA counsel in Oklahoma City, Oklahoma, substantially in the form set forth in **Exhibit C**.

(j) Certification from Company. Each Pass Through Trustee and Loan Trustee shall have received a certificate or certificates signed by the chief financial or accounting officer, any Senior Vice President, the Treasurer, any Vice President or any Assistant Treasurer (or any other Responsible Officer) of Company or Guarantor, dated the Closing Date, certifying as to the correctness of the matters stated in Section 3.01(f).

(k) Certification from WTC, Loan Trustee and Subordination Agent. Each Pass Through Trustee shall have received a certificate from WTC in its individual capacity and as Loan Trustee and Subordination Agent, as applicable, dated the Closing Date, signed by an authorized officer of WTC in its individual capacity and as Loan Trustee and Subordination Agent, as applicable, certifying for each such entity that no Loan Trustee Liens or Other Party Liens attributable to it, as applicable, exist, and further certifying as to the correctness of each of the matters stated in Section 5.01.

(l) [Reserved.]

(m) Insurance Matters. Loan Trustee shall have received an insurance report of an independent insurance broker and the related certificates of insurance, each in form and substance reasonably satisfactory to Loan Trustee, as to the compliance with the terms of Section 7.06 of the Indenture relating to insurance with respect to the Aircraft.

(n) No Proceedings. No action or proceeding shall have been instituted nor shall governmental action be threatened before any court or governmental agency, nor shall any order, judgment or decree have been issued or proposed to be issued by any court or governmental agency at the time of the Closing to set aside, restrain, enjoin or prevent the completion and consummation of this Agreement or the transactions contemplated hereby.

(o) Funding of Pass Through Trusts. Each Pass Through Trustee shall have received in immediately available funds an amount at least equal to the aggregate purchase price of the Equipment Notes to be purchased from Company by such Pass Through Trustee.

(p) Manufacturer's Consent. Loan Trustee shall have received an executed copy of the Manufacturer's Consent substantially in the form set forth in **Exhibit D**.

(q) Governmental Approvals. 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 has 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 have been issued.

Promptly upon the recording of the Indenture (with the Indenture Supplement covering the Aircraft attached) pursuant to the Transportation Code and the receipt of appropriate and correct recording information from the FAA, Company will cause Crowe & Dunlevy, a Professional Corporation, special FAA counsel in Oklahoma City, Oklahoma to deliver to Subordination Agent, to Pass Through Trustees, to Loan Trustee and to Company an opinion as to the due recording of such instrument and the lack of filing of any intervening documents with respect to the Aircraft.

Section 3.02. Conditions Precedent to Obligations of Company. The obligation of Company to issue and sell the Equipment Notes is subject to the fulfillment (or waiver by Company) prior to or on the Closing Date of the following conditions precedent:

(a) No Changes in Law. No change shall have occurred after the date of this Agreement in applicable law or regulations thereunder or interpretations thereof by appropriate regulatory authorities or any court that would make it a violation of law or governmental regulations for Company to enter into any transaction contemplated by the Operative Documents or the Pass Through Documents.

(b) Documentation. The documents referred to in Section 3.01(c) shall have been duly authorized, executed and delivered by the respective party or parties thereto (other than Company and Guarantor), shall be in full force and effect and executed counterparts (or copies thereof where indicated) thereof shall have been delivered to Company, and Company shall have received such documents and evidence with respect to WTC, the Liquidity Provider, Loan Trustee, Subordination Agent and each Pass Through Trustee as Company reasonably requests in order to establish the consummation of the transactions contemplated by this Agreement, the taking of all corporate and other proceedings in connection therewith and compliance with the conditions herein set forth.

(c) FAA Filing. The Indenture (with the Indenture Supplement covering the Aircraft attached) shall have been duly filed for recordation (or shall be in the process of being so duly filed for recordation) with the FAA pursuant to the Transportation Code. The registration of the International Interests (or Prospective International Interests) created under the Indenture (as supplemented by the Indenture Supplement with respect to the Aircraft) shall have been effected (or shall be in the process of being so effected) on the International Registry in accordance with the Cape Town Treaty.

(d) Representations and Warranties. On the Closing Date, the representations and warranties herein of WTC, Loan Trustee, Subordination Agent and Pass Through Trustees shall be correct as though made on and as of such date, except to the extent that such representations and warranties relate solely to an earlier date (in which case such representations and warranties shall have been correct on and as of such earlier date), and, insofar as such representations and warranties concern WTC, Loan Trustee, Subordination Agent or any Pass Through Trustee, such party shall have so certified to Company.

(e) Certain Opinions and Certificates. Company shall have received each opinion referred to in Sections 3.01(h) and 3.01(i), each such opinion addressed to Company or accompanied by a letter from the counsel rendering such opinion authorizing Company to rely on such opinion as if it were addressed to Company, and the certificates referred to in Sections 3.01(e)(iv) and 3.01(k).

(f) Certain Opinion of Special Delaware Counsel. Company shall have received an opinion addressed to it from Richards, Layton & Finger, P.A., special Delaware counsel for Company as to UCC matters, substantially in the form set forth in **Exhibit E**.

(g) No Proceedings. No action or proceeding shall have been instituted nor shall governmental action be threatened before any court or governmental agency, nor shall any order, judgment or decree have been issued or proposed to be issued by any court or governmental agency at the time of the Closing to set aside, restrain, enjoin or prevent the completion and consummation of this Agreement or the transactions contemplated hereby.

(h) No Other Party Liens, etc. Company shall have received a certificate from WTC dated the Closing Date, signed by an authorized officer of WTC, certifying for each Pass Through Trustee that no Other Party Liens attributable to it exist and further certifying as to the correctness of each of the matters stated in Section 5.01.

(i) Payment for Equipment Notes. Company shall have been paid by each Pass Through Trustee the aggregate original principal amount of the Equipment Notes being issued to such Pass Through Trustee as set forth on Schedule I opposite the name of such Pass Through Trust.

(j) Tax Forms. Each of the Pass Through Trustee and the Subordination Agent shall have provided a completed and executed copy of IRS Form W-9 to each of the Company, the Subordination Agent and the Liquidity Provider.

ARTICLE 4

REPRESENTATIONS, WARRANTIES AND INDEMNITIES OF COMPANY

Section 4.01. Representations and Warranties of Company. Company represents and warrants that:

(a) Organization; Authority; Qualification. Company is a corporation duly incorporated and validly existing in good standing under the laws of the State of Delaware, is a Certificated Air Carrier, is a Citizen of the United States, has the corporate power and authority to own its properties or hold them under lease and to enter into and perform its obligations under the Operative Documents to which it is a party and is duly qualified to do business as a foreign corporation in good standing in each other jurisdiction in which the failure to so qualify would have a material adverse effect on the consolidated financial condition of Company and its subsidiaries, considered as a whole, and its jurisdiction of organization (as such term is used in Article 9 of the Uniform Commercial Code as in effect in the State of Delaware) is Delaware.

(b) Corporate Action and Authorization; No Violations. The execution, delivery and performance by Company of this Agreement and the other Operative Documents to which Company is a party have been duly authorized by all necessary corporate action on the part of Company, do not require any stockholder approval or approval or consent of any trustee or holder of any indebtedness or obligations of Company, except such as have been duly obtained and are in full force and effect, and do not contravene any law, governmental rule, regulation, judgment or order binding on Company or the certificate of incorporation or by-laws of Company or contravene or result in a breach of, or constitute a default under, or result in the creation of any Lien (other than as permitted under the Indenture) upon the property of Company under, any material indenture, mortgage, contract or other agreement to which Company is a party or by which it or any of its properties may be bound or affected.

(c) Governmental Approvals. Neither the execution and delivery by Company of this Agreement and the other Operative Documents to which it is a party, nor the consummation by Company of any of the transactions contemplated hereby or thereby, requires 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, the Department of Transportation, the FAA or any other federal or state governmental authority or agency, or the International Registry, except for (i) the registration of the issuance and sale of the Pass Through Certificates under the Securities Act and under the securities laws of any state or other jurisdiction in which the Pass Through Certificates may be offered for sale if the laws of such state or other jurisdiction require such action, (ii) the qualification of the Pass Through Trust Agreements under the Trust Indenture Act, (iii) the orders, permits, waivers, exemptions, authorizations and approvals of the regulatory authorities having jurisdiction over Company's ownership or operation of the Aircraft required to be obtained on or prior to the Closing Date, which orders, permits, waivers, exemptions, authorizations and approvals have been duly obtained and are, or on the Closing Date will be, in full force and effect, (iv) the filings and registrations referred to in Section 4.01(e), (v) authorizations, consents, approvals, notices and filings required to be obtained, taken, given or made under securities or Blue Sky or similar laws of the various states and foreign jurisdictions and (vi) consents, approvals, notices, registrations and other actions required to be obtained, given, made or taken only after the date hereof.

(d) Valid and Binding Agreements. This Agreement and each other Operative Document to which Company is a party have been duly executed and delivered by Company and constitute the legal, valid and binding obligations of Company enforceable against Company in accordance with their terms, except as the same may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the rights of creditors generally and by general principles of equity and except, in the case of the Indenture, as limited by applicable laws that may affect the remedies provided in the Indenture, which laws, however, do not make the remedies provided in the Indenture inadequate for the practical realization of the rights and benefits intended to be provided thereby.

(e) Filings and Recordation. Except for (i) the filing for recordation pursuant to the Transportation Code of the Indenture (with the Indenture Supplement covering the Aircraft attached), (ii) with respect to the security interests created by such documents, the filing of financing statements (and continuation statements at periodic intervals) under the Uniform Commercial Code of Delaware, and (iii) the registration on the International Registry of the International Interests (or Prospective International Interests) created under the Indenture (as supplemented by the Indenture Supplement covering the Aircraft), no further filing or recording of any document is necessary under the laws of the United States or any state thereof as of the Closing Date in order to establish and perfect the security interest in the Aircraft created under the Indenture in favor of Loan Trustee as against Company and any third parties in any applicable jurisdiction in the United States.

(f) Investment Company Act. Company is not required to be registered as an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

(g) Title. As of the Closing Date, (i) Company has good title to the Aircraft, free and clear of Liens other than Permitted Liens, (ii) the Aircraft has been duly certificated by the FAA as to type and airworthiness in accordance with the terms of the Indenture, (iii) the Indenture (with the Indenture Supplement covering the Aircraft attached) has been duly filed for recordation (or shall be in the process of being so duly filed for recordation) with the FAA pursuant to the Transportation Code, (iv) the Aircraft is duly registered with the FAA in the name of Company, and (v) the registration of the International Interests (or Prospective International Interests) created under the Indenture (as supplemented by the Indenture Supplement with respect to the Aircraft) shall have been effected (or shall be in the process of being so effected) on the International Registry in accordance with the Cape Town Treaty.

(h) Section 1110. Loan Trustee is entitled to the benefits of Section 1110 with respect to the Aircraft being subjected to the Lien of the Indenture on the Closing Date.

(i) Security Interest. The Indenture creates in favor of Loan Trustee, for the benefit of Noteholders, Indenture Indemnitees and Related Indenture Indemnitees, a valid and (subject to the filings and registrations referred to in Section 4.01(e)) perfected Lien on the Aircraft purported to be subjected to the Lien of the Indenture on the Closing Date, subject to no equal or prior Lien, except Permitted Liens.

(j) Licenses, Permits and Franchises. Company holds all licenses, permits and franchises from the appropriate government entities necessary to authorize Company lawfully to engage in air transportation as currently conducted, except where the failure to so hold any such license, permit or franchise would not have a material adverse effect on the financial condition or operations of Company and its consolidated subsidiaries, taken as a whole.

Section 4.02. General Indemnity. (a) Claims Defined. For the purposes of this Section 4.02, "Claims" means any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs or expenses of whatsoever kind and nature (whether or not on the basis of negligence, strict or absolute liability or liability in tort) that may be imposed on, incurred by, suffered by or asserted against an Indemnitee, as defined below, and, except as otherwise expressly provided in this Section 4.02, includes all reasonable out-of-pocket costs, disbursements and expenses (including reasonable out-of-pocket legal fees and expenses) actually incurred by an Indemnitee in connection therewith or related thereto.

(a) Indemnitee Defined. For the purposes of this Section 4.02, "Indemnitee" means (i) WTC and Loan Trustee, (ii) each separate or additional trustee appointed pursuant to Section 8.02 of the Indenture, (iii) so long as it holds any Equipment Notes as agent and trustee of any Pass Through Trustee, Subordination Agent (iv) so long as it is the holder of any Equipment Notes, each Pass Through Trustee, (v) the Liquidity Provider, (vi) any Related Noteholder, and (vii) each of their respective successors and permitted assigns in such capacities, agents, servants, officers, employees and directors (the respective agents, servants, officers, employees and directors of each of the foregoing Indemnitees, as applicable, together with such Indemnitee, collectively the "Related Indemnitee Group" of such Indemnitee); provided that such Persons, to the extent they are not signatories to this Agreement, have expressly agreed in writing to be bound by the terms of this Section 4.02 prior to, or concurrently with, the making of a Claim. If any Indemnitee fails to comply with any duty or obligation under this Section 4.02 with respect to any Claim, such Indemnitee shall not be entitled to any indemnity with respect to such Claim under this Section 4.02 to the extent such failure was prejudicial to Company. No holder of a Pass Through Certificate in its capacity as such holder shall be an Indemnitee.

(b) Claims Indemnified. Subject to the exclusions stated in Section 4.02(d), Company agrees to indemnify, protect, defend and hold harmless on an After-Tax Basis each Indemnitee against Claims resulting from or arising out of the sale, purchase, acceptance, non-acceptance or rejection of the Aircraft under the Purchase Agreement or the ownership, possession, use, non-use, substitution, airworthiness, control, maintenance, repair, operation, registration, re-registration, condition, sale, lease, sublease, storage, modification, alteration, return, transfer or other disposition of the Aircraft, the Airframe, any Engine or any Part (including, without limitation, latent or other defects, whether or not discoverable, and any claim for patent, trademark or copyright infringement) by Company, any Permitted Lessee or any other Person. Without limiting the foregoing and subject to, and without duplication of, the provisions of Section 6.01(a), Company agrees to pay the reasonable ongoing fees, and the reasonable out-of-pocket costs and expenses actually incurred (including, without limitation, reasonable attorney's fees and disbursements actually incurred and, to the extent payable as provided in the Indenture, reasonable compensation and expenses of Loan Trustee's agents actually incurred), of Loan Trustee in connection with the transactions contemplated hereby.

(c) Claims Excluded. The following are excluded from Company's agreement to indemnify an Indemnitee under this Section 4.02:

(i) any Claim to the extent such Claim is attributable to acts or events occurring after (A) the Lien of the Indenture has been discharged, or (B) the transfer of possession of the Aircraft pursuant to Article IV of the Indenture except to the extent that such Claim is attributable to acts occurring in connection with the exercise of remedies pursuant to Section 4.02 of the Indenture following the occurrence and continuance of an Event of Default;

(ii) any Claim to the extent such Claim is, or is attributable to, a Tax (or loss of any Tax benefit), except with respect to paying indemnity amounts on an After-Tax Basis;

(iii) any Claim to the extent such Claim is attributable to the negligence or willful misconduct of such Indemnitee or such Indemnitee's Related Indemnitee Group;

(iv) any Claim to the extent such Claim is attributable to the noncompliance by such Indemnitee or such Indemnitee's Related Indemnitee Group with any of the terms of, or any misrepresentation by an Indemnitee or its Related Indemnitee Group contained in, this Agreement, any other Operative Document or any Pass Through Document to which such Indemnitee or any of such Related Indemnitee Group is a party or any agreement relating hereto or thereto;

(v) any Claim to the extent such Claim constitutes a Lien attributable to such Indemnitee;

(vi) any Claim to the extent such Claim is attributable to the offer, sale, assignment, transfer, participation or other disposition (whether voluntary or involuntary) by or on behalf of such Indemnitee or its Related Indemnitee Group (other than during the occurrence and continuance of an Event of Default; provided that any such offer, sale, assignment, transfer, participation or other disposition during the occurrence and continuation of an Event of Default shall not be subject to indemnification unless it is made in accordance with the Indenture and applicable law) of any Equipment Note or interest therein or Pass Through Certificate, all or any part of such Indemnitee's interest in the Operative Documents or the Pass Through Documents, or any interest in the Collateral or any similar security;

(vii) any Claim to the extent such Claim is attributable to (A) a failure on the part of Loan Trustee to distribute in accordance with this Agreement or any other Operative Document any amounts received and distributable by it hereunder or thereunder, (B) a failure on the part of Subordination Agent to distribute in accordance with the Intercreditor Agreement any amounts received and distributable by it thereunder or (C) a failure on the part of any Pass Through Trustee to distribute in accordance with the Pass Through Trust Agreement to which it is a party any amounts received and distributable by it thereunder;

(viii) any Claim to the extent such Claim is attributable to the authorization or giving or withholding of any future amendments, supplements, waivers or consents with respect to any Operative Document or any Pass Through Document, other than such as have been requested by Company or that occur as the result of an Event of Default, or such as are expressly required or contemplated by the provisions of the Operative Documents or the Pass Through Documents;

(ix) any Claim to the extent such Claim is payable or borne by (A) Company pursuant to any indemnification, compensation or reimbursement provision of any other Operative Document or any Pass Through Document or (B) a Person other than Company pursuant to any provision of any Operative Document or any Pass Through Document;

(x) any Claim to the extent such Claim is an ordinary and usual operating or overhead expense or not an out-of-pocket expense actually incurred;

(xi) any Claim to the extent such Claim is incurred on account of or asserted as a result of (A) any "prohibited transaction" within the meaning of Section 406 of ERISA or Section 4975 of the Code or any foreign, federal, state or local law which is substantially similar to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code ("Similar Law") or (B) any breach of fiduciary duty under ERISA;

(xii) any Claim to the extent such Claim is attributable to one or more of the other aircraft financed through the offering of Pass Through Certificates (in the event of doubt, any Claim shall be allocated between the Aircraft and such other aircraft in the same proportion that the then outstanding Equipment Notes bear to the then outstanding equipment notes issued with respect to the other aircraft and held by Pass Through Trustees);

(xiii) any Claim to the extent such Claim is attributable to any amount which any Indemnitee expressly agrees shall not be paid by, borne by, or reimbursed by Company;

(xiv) any Claim by an Indemnitee related to the status of such Indemnitee as a shipper on any of Company's aircraft or as a party to a marketing or promotional or other commercial agreement with Company unrelated to the transactions contemplated by the Operative Documents; and

(xv) any Claim to the extent such Claim is attributable to the offer or sale by an Indemnitee (or any member of such Indemnitee's Related Indemnitee Group) of any interest in the Aircraft, 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 thereof caused by acts or omissions of Company or any of its affiliates).

(d) Insured Claims. In the case of any Claim indemnified by Company hereunder that is covered by a policy of insurance maintained by Company, each Indemnitee agrees to cooperate, at Company's expense, with the insurers in the exercise of their rights to investigate, defend and compromise such Claim.

(e) Claims Procedure. An Indemnitee shall promptly notify Company of any Claim as to which indemnification is sought. The failure to provide such prompt notice shall not release Company from any of its obligations to indemnify hereunder except to the extent that Company is prejudiced by such failure or Company's indemnification obligations are increased as a result of such failure (in which event Company shall not be responsible for such additional indemnification obligations). Such Indemnitee shall promptly submit to Company all additional information in such Indemnitee's possession to substantiate such Claim as Company reasonably requests. Subject to the rights of Company's insurers, Company may, at its sole cost and expense, investigate any Claim, and may in its sole discretion defend or compromise any Claim. At Company's expense, any Indemnitee shall cooperate with all reasonable requests of Company in connection therewith. Such Indemnitee shall not enter into a settlement or other compromise with respect to any Claim without the prior written consent of Company, which consent shall not be unreasonably withheld or delayed, unless such Indemnitee waives its right to be indemnified with respect to such Claim. Where Company or its insurers undertake the defense of an Indemnitee with respect to a Claim, no additional legal fees or expenses of such Indemnitee in connection with the defense of such Claim shall be indemnified hereunder unless such fees or expenses were incurred at the written request of Company or such insurers. Subject to the requirements of any policy of insurance, an Indemnitee may participate at its own expense in any judicial proceeding controlled by Company pursuant to the preceding provisions; provided that such party's participation does not, in the opinion of outside counsel appointed by Company or its insurers to conduct such proceedings, interfere with such control. Such participation shall not constitute a waiver of the indemnification provided in this Section 4.02. Notwithstanding anything to the contrary contained herein, Company shall not under any circumstances be liable for the fees and expenses of more than one counsel for all Indemnitees with respect to any one Claim. Notwithstanding anything to the contrary contained herein, an Indemnitee shall not under any circumstances be required or deemed to be required to contest any Claim or to assume responsibility for or control of any judicial proceeding with respect thereto. Company will provide the relevant Indemnitee with such information not within the control of such Indemnitee, as is in Company's control or is reasonably available to Company, which such Indemnitee may reasonably request and will otherwise cooperate with such Indemnitee so as to enable such Indemnitee to fulfill its obligations under this Section. If an Indemnitee is not a party to this Agreement, Company may require such Indemnitee to agree in writing to the terms of this Section 4.02 and Section 7.10 of this Agreement prior to making any payment to such Indemnitee under this Section 4.02.

(f) Subrogation. To the extent that a Claim is in fact paid in full by Company or its insurer, Company or such insurer (as the case may be) shall, without any further action, be subrogated to the rights and remedies of the Indemnitee on whose behalf such Claim was paid with respect to the transaction or event giving rise to such Claim. Such Indemnitee shall give such further assurances or agreements and shall cooperate with Company or such insurer, as the case may be, to permit Company or such insurer to pursue such rights and remedies, if any, to the extent reasonably requested by Company. So long as no Event of Default has occurred and is continuing, if an Indemnitee receives any payment, in whole or in part, from any party other than Company or its insurers with respect to any Claim paid by Company or its insurers, it shall promptly pay over to Company the amount received (but not an amount in excess of the amount Company or any of its insurers has paid in respect of such Claim). Any amount referred to in the preceding sentence that is payable to Company shall not be paid to Company, or, if it has been previously paid directly to Company, shall not be retained by Company, if at the time of such payment an Event of Default has occurred and is continuing, but shall be paid to and held by Loan Trustee as security for the obligations of Company under the Operative Documents. If Company agrees, such amount payable shall be applied against Company's obligations thereunder when and as they become due and payable. At such time as such Event of Default is no longer continuing, such amount, to the extent not previously so applied against Company's obligations, shall be paid to Company.

(g) No Guaranty. Nothing set forth in this Section 4.02 constitutes a guarantee by Company that the Aircraft at any time will have any particular value, useful life or residual value.

(h) Payments; Interest. Any amount payable to any Indemnitee on account of a Claim shall be paid within 30 days after receipt by Company of a written demand therefor from such Indemnitee accompanied by a written statement describing in reasonable detail the Claims that are the subject of and basis for such indemnity and the computation of the amount payable. Any payments made pursuant to this Section 4.02 directly to an Indemnitee or to Company, as the case may be, shall be made in immediately available funds at such bank or to such account as is specified by the payee in written directions to the payor or, if no such directions are given, by check of the payor payable to the order of the payee and mailed to the payee by certified mail, return receipt requested, postage prepaid to its address referred to in Section 7.01. To the extent permitted by applicable law, interest at the Past Due Rate shall be paid, on demand, on any amount or indemnity not paid when due pursuant to this Section 4.02 until the same is paid. Such interest shall be paid in the same manner as the unpaid amount in respect of which such interest is due.

(i) Tax Deduction or Credit. If, by reason of any payment made to or for the account of any Indemnitee by Company, or by reason of any Claim of any Indemnitee paid or indemnified against by Company, in each case pursuant to Section 4.02, such Indemnitee realizes a Tax deduction or credit not previously taken into account in computing such payment, such Indemnitee shall promptly pay to Company an amount equal to the sum of (i) the actual reduction in Taxes realized by such Indemnitee which is attributable to such deduction or credit, and (ii) the actual reduction in Taxes realized by such Indemnitee as a result of any payment made by such Indemnitee pursuant to this sentence; provided that the amount payable by such Indemnitee pursuant to this sentence shall not exceed the sum of all amounts previously paid by Company to such Indemnitee pursuant to this Section 4.02; provided, further, that any such excess shall be carried forward and applied to reduce *pro tanto* any subsequent obligations of Company to make payments to such Indemnitee pursuant to Section 4.02. If such Tax deduction or credit is subsequently disallowed or lost, upon written notice from the Indemnitee Company shall promptly repay all amounts paid to it pursuant to this Section 4.02(j) in respect of such disallowed or lost deduction or credit. If, at the time an amount would otherwise be payable to Company under this Section 4.02(j), any Event of Default shall have occurred and be continuing, such amount shall be held by the relevant Indemnitee as security for the obligations of Company under the Operative Documents. At such time as no Event of Default is continuing, such amount or portion thereof shall be applied to offset Company's outstanding obligations under the Operative Documents and any remaining amount after such application shall be paid to Company.

ARTICLE 5

REPRESENTATIONS, WARRANTIES AND COVENANTS OF WTC

Section 5.01. Representations, Warranties and Covenants of WTC. WTC, generally, and as each of Loan Trustee, Subordination Agent and Pass Through Trustee as it relates to it, represents, warrants and covenants that:

(a) Organization; Authority. WTC is a Delaware trust company duly organized and validly existing in good standing under the laws of the State of Delaware, holds a valid certificate to do business as a Delaware trust company, is eligible to be Loan Trustee under Section 8.01(a) of the Indenture, will promptly comply with Section 8.01(a) of the Indenture and has full power, authority and legal right to enter into and perform its obligations under each of the Operative Documents and the Pass Through Documents to which WTC, Loan Trustee, Subordination Agent or any Pass Through Trustee is a party and, in its capacity as Loan Trustee and Pass Through Trustee, respectively, to authenticate the Equipment Notes and the Pass Through Certificates, respectively. WTC is qualified to act as Loan Trustee under Section 8.01(c) of the Indenture. WTC is a Citizen of the United States (without the use of a voting trust agreement), and will resign as Loan Trustee under the Indenture promptly after it obtains actual knowledge that it has ceased to be such a Citizen of the United States.

(b) Due Authorization; No Violations. The execution, delivery and performance by WTC, individually or in its capacity as Loan Trustee, Subordination Agent or Pass Through Trustee, as the case may be, of this Agreement, each of the other Operative Documents and each of the Pass Through Documents to which WTC, Loan Trustee, Subordination Agent or any Pass Through Trustee is a party, the performance by WTC, individually or in its capacity as Loan Trustee, Subordination Agent or Pass Through Trustee, as the case may be, of its obligations thereunder and the consummation on the Closing Date or the Issuance Date, as the case may be, of the transactions contemplated thereby, and the authentication of the Equipment Notes and the Pass Through Certificates, respectively, to be delivered on the Closing Date or the Issuance Date, as the case may be: (i) have been duly authorized by all necessary action on the part of WTC, Loan Trustee, Subordination Agent and each Pass Through Trustee, as the case may be, (ii) do not violate any law or regulation of the United States or of the state of the United States in which WTC is located and which governs the trust powers of WTC or any order, writ, judgment or decree of any court, arbitrator or governmental authority applicable to WTC, Loan Trustee, Subordination Agent or any Pass Through Trustee or any of their assets, (iii) will not violate any provision of the charter or by-laws of WTC and (iv) will not violate any provision of, or constitute a default under, any mortgage, indenture, contract, agreement or undertaking to which any of WTC, Loan Trustee, Subordination Agent or any Pass Through Trustee is a party or by which any of them or their respective properties may be bound or affected.

(c) Approvals. Neither the execution and delivery by WTC, individually or in its capacity as Loan Trustee, Subordination Agent or Pass Through Trustee, as the case may be, of this Agreement, any other Operative Document or any Pass Through Document to which WTC, Loan Trustee, Subordination Agent or any Pass Through Trustee is a party, nor the consummation by WTC, Loan Trustee, Subordination Agent or any Pass Through Trustee of any of the transactions contemplated hereby or thereby, requires 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, (i) any governmental authority or agency of the United States or the state of the United States where WTC is located and regulating the trust powers of WTC or (ii) any trustee or other holder of any debt of WTC.

(d) Valid and Binding Agreements. This Agreement, each other Operative Document and each Pass Through Document to which WTC, Loan Trustee, Subordination Agent or any Pass Through Trustee is a party have been duly executed and delivered by WTC, individually and in its capacity as Loan Trustee, Subordination Agent or Pass Through Trustee, as the case may be, and constitute the legal, valid and binding obligations of WTC, Loan Trustee, Subordination Agent and such Pass Through Trustee, as the case may be, enforceable against it in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the rights of creditors generally and by general principles of equity.

(e) No Loan Trustee Liens or Other Party Liens. It unconditionally agrees with and for the benefit of the parties to this Agreement that it will not directly or indirectly create, incur, assume or suffer to exist any Loan Trustee Lien or Other Party Lien attributable to it, and it agrees that it will, at its own cost and expense, promptly take such action as may be necessary to discharge and satisfy in full any such Lien.

(f) Intercreditor Agreement. The Equipment Notes to be issued to Subordination Agent pursuant hereto are being acquired by it to be held under the Intercreditor Agreement.

(g) Funds Transfer Fees. Each of WTC, Loan Trustee, Subordination Agent and each Pass Through Trustee agrees that it will not impose any lifting charge, cable charge, remittance charge or any other charge or fee on any transfer by Company of funds to, through or by WTC, Loan Trustee, Subordination Agent or such Pass Through Trustee pursuant to this Agreement, any other Operative Document or any Pass Through Document, except as may be otherwise agreed to in writing by Company.

(h) Confidentiality. Each of WTC, Loan Trustee, Subordination Agent and each Pass Through Trustee agrees to be bound by the terms of Section 10.16 of the Indenture.

(i) Certain Tax Matters. There are no Taxes payable by (i) WTC, Loan Trustee, Subordination Agent or any Pass Through Trustee imposed by the State of Delaware or any political subdivision or taxing authority thereof, in connection with the execution, delivery or performance by WTC, Loan Trustee or Subordination Agent on the one hand, or WTC or any Pass Through Trustee, on the other, of any Operative Document or any Pass Through Document (other than franchise or other Taxes based on or measured by any fees or compensation received by any such Person for services rendered in connection with the transactions contemplated by the Operative Documents or the Pass Through Documents), and there are no Taxes payable by any Pass Through Trustee imposed by the State of Delaware or any political subdivision thereof in connection with the acquisition, possession or ownership by 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 such Pass Through Trustee for services rendered in connection with the transactions contemplated by the Operative Documents or the Pass Through Documents) and, assuming that the Pass Through Trusts will not be taxable for federal income tax purposes as corporations, but, rather, will be characterized for such purposes as grantor trusts or partnerships, the Pass Through Trusts will not be subject to any Taxes imposed by the State of Delaware or any political subdivision thereof.

(j) Limitation on Situs of Activities. Except with the consent of Company, which shall not be unreasonably withheld, WTC will act as Pass Through Trustee , Subordination Agent and Loan Trustee solely through its offices within the State of Delaware, except for such services as may be performed for it by independent agents in the ordinary course of business, but not directly by it, in other states.

(k) No Proceedings. There are no pending or, to its knowledge, threatened actions or proceedings against WTC, Loan Trustee, Subordination Agent or any Pass Through Trustee before any court or administrative agency which individually or in the aggregate, if determined adversely to it, would materially adversely affect the ability of WTC, Loan Trustee, Subordination Agent or any Pass Through Trustee to perform its obligations under any Operative Document or any Pass Through Document.

(l) Other Representations. The representations and warranties contained in Section 7.15 of the Basic Pass Through Trust Agreement and Section 7.04 of the Trust Supplement are true, complete and correct as of the Closing Date.

ARTICLE 6

OTHER COVENANTS AND AGREEMENTS

Section 6.01. Other Agreements. (a) Fees and Expenses. Company agrees promptly to pay (without duplication of any other obligation Company may have to pay such amounts) (1) the initial and annual fees and (to the extent Loan Trustee is entitled to be reimbursed for its reasonable expenses) the reasonable expenses of Loan Trustee in connection with the transactions contemplated hereby and (2) the following expenses incurred by Loan Trustee, Subordination Agent and Pass Through Trustees in connection with the negotiation, preparation, execution and delivery of this Agreement, the other Operative Documents and the other documents or instruments referred to herein or therein:

(i) the reasonable fees, expenses and disbursements of (A) Morris James LLP, special counsel for Loan Trustee, Subordination Agent and Pass Through Trustees, (B) Richards, Layton & Finger, P.A., special Delaware counsel for the Company, and (C) Crowe & Dunlevy, a Professional Corporation, special FAA counsel in Oklahoma City, Oklahoma, in each case to the extent actually incurred; and

(ii) all reasonable expenses actually incurred in connection with printing and document production or reproduction expenses, and in connection with the filing of Uniform Commercial Code financing statements.

(b) Continuing Registration and Re-Registration. Loan Trustee, Noteholders, Subordination Agent and each Pass Through Trustee agree to execute and deliver, at Company's expense, all such documents and consents as Company reasonably requests for the purpose of continuing the registration of the Aircraft at the FAA in Company's name or for the purpose of registering or maintaining any registration on the International Registry in respect of the Aircraft. In addition, each of Loan Trustee, Subordination Agent, each Pass Through Trustee and any other Noteholder agrees, for the benefit of Company, to cooperate with Company in effecting any foreign registration of the Aircraft pursuant to Section 7.02(e) of the Indenture; provided that prior to any such change in the country of registry of the Aircraft the conditions set forth in Section 7.02(e) of the Indenture are met to the reasonable satisfaction of, or waived by, Loan Trustee.

(c) Quiet Enjoyment. Each of WTC, Loan Trustee, Subordination Agent, each Pass Through Trustee, any other Noteholder, Class AA Liquidity Provider (by having entered into the Class AA Liquidity Facility) agrees that, unless an Event of Default shall have occurred and be continuing, it shall not (and shall not permit any Affiliate or other Person claiming by, through or under it to) take any action contrary to, or otherwise in any way interfere with or disturb (and then only in accordance with the Indenture), the quiet enjoyment of the use and possession of the Aircraft, the Airframe, any Engine or any Part by Company or any transferee of any interest in any thereof permitted under the Indenture.

(d) No Noteholder Liens. Each Noteholder, including, without limitation, Subordination Agent and each Pass Through Trustee, unconditionally agrees with and for the benefit of the parties to this Agreement that it will not directly or indirectly create, incur, assume or suffer to exist any Noteholder Liens, and such Noteholder agrees that it will, at its own cost and expense, promptly take such action as may be necessary to discharge and satisfy in full any such Noteholder Lien; and each Noteholder hereby agrees to indemnify, protect, defend and hold harmless each Indemnitee and Company against claims in any way resulting from or arising out of a breach by it of its obligations under this Section 6.01(d).

(e) Agreement to be Bound; Transfer. By its acceptance of its Equipment Notes, each Noteholder unconditionally agrees for the benefit of Company and Loan Trustee: (i) to be bound by and to perform and comply with all of the terms of such Equipment Notes, the Indenture and this Agreement applicable to such Noteholder and (ii) that it will not transfer any Equipment Note (or any part thereof) to any entity unless such transfer complies with and does not violate the Transportation Code, the Securities Act (or require registration under such Act) or any other law (including, without limitation, ERISA, the Code and Similar Law), and does not create a relationship that would be in violation thereof, or result in a "prohibited transaction" under Section 406 of ERISA, Section 4975 of the Code or Similar Law or require qualification of an indenture under the Trust Indenture Act.

(f) Tax Returns. Each Pass Through Trustee shall file any Tax returns required to be filed by the related Pass Through Trust and the Company shall pay the Applicable Portion of any expenses relating to the preparation thereof. For purposes of this Section 6.01(f), the "Applicable Portion" of any amount shall equal such amount multiplied by a fraction, the numerator of which shall be the sum of the then outstanding aggregate principal amount of the Equipment Notes held by the relevant Pass Through Trustee, and the denominator of which shall be the sum of the outstanding aggregate principal amount of all "Equipment Notes" issued under each of the "Indentures" (in each case as defined in the Intercreditor Agreement) held by such Pass Through Trustee.

(g) No Petition. Each of Company, Loan Trustee, each Pass Through Trustee, Subordination Agent and any other Noteholder covenants that until one year and one day after the Series AA Equipment Notes have been paid in full, it shall not acquiesce, petition or otherwise invoke or cause or join in invoking or causing the Class AA Pass Through Trust or any other Person to invoke the process of any governmental authority for the purpose of commencing or sustaining a case (whether voluntary or not) against the Class AA Pass Through Trust under any bankruptcy, insolvency or similar law or appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official of the Class AA Pass Through Trust or any substantial part of its property or ordering the winding-up or liquidation of the affairs of the Class AA Pass Through Trust, and (ii) if any Additional Series Equipment Notes of any Series shall have been issued, until one year and one day after such Additional Series Equipment Notes have been paid in full, it shall not acquiesce, petition or otherwise invoke or cause or join in invoking or causing the related Additional Series Pass Through Trust or any other Person to invoke the process of any governmental authority for the purpose of commencing or sustaining a case (whether voluntary or not) against such Additional Series Pass Through Trust under any bankruptcy, insolvency or similar law or appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official of such Additional Series Pass Through Trust or any substantial part of its property or ordering the winding-up or liquidation of the affairs of such Additional Series Pass Through Trust.

Section 6.02. Certain Covenants of Company. Company covenants and agrees with Loan Trustee as follows:

(a) Further Assurances. On and after the Closing, Company will cause to be done, executed, acknowledged and delivered such further acts, conveyances and assurances as Loan Trustee reasonably requests for accomplishing the purposes of this Agreement and the other Operative Documents; provided that any instrument or other document so executed by Company will not expand any obligations or limit any rights of Company in respect of the transactions contemplated by the Operative Documents.

(b) Filing and Recordation of the Indenture; Registration of International Interests. Company, at its expense, will cause the Indenture (with the Indenture Supplement covering the Aircraft attached) to be promptly filed and recorded, or filed for recording, with the FAA to the extent permitted under the Transportation Code and the rules and regulations of the FAA thereunder. In addition, on or prior to the Closing Date, Company will cause the registration of the International Interests (or Prospective International Interests) created under the Indenture (as supplemented by the Indenture Supplement with respect to the Aircraft) to be effected (or shall be in the process of being so effected) on the International Registry in accordance with the Cape Town Treaty, and shall, as and to the extent applicable, consent to such registration upon the issuance of a request for such consent by the International Registry.

(c) Maintenance of Filings. The Company, at its expense, will take, or cause to be taken, such action with respect to the recording, filing, re-recording and refiling of the Indenture and any financing statements or other instruments as are necessary to maintain, so long as the Indenture is in effect, the perfection of the security interests created by the Indenture or will furnish Loan Trustee timely notice of the necessity of such action, together with such instruments, in execution form, and such other information as may be required to enable Loan Trustee to take such action. In addition, Company will pay any and all recording, stamp and other similar Taxes payable in the United States, and in any other jurisdiction where the Aircraft is registered, in connection with the execution, delivery, recording, filing, re-recording and refiling of the Indenture or any such financing statements or other instruments. Company will notify Loan Trustee of any change in its jurisdiction of organization (as such term is used in Article 9 of the Uniform Commercial Code as in effect in the State of Delaware) promptly after making such change or in any event within the period of time necessary under applicable law to prevent the lapse of perfection (absent refiling) of financing statements filed under the Operative Documents.

(d) Maintenance of Corporate Existence. Company shall at all times maintain its corporate existence except as permitted by Section 6.02(e).

(e) Merger; Consolidation; Transfer of Substantially All Assets. Company shall not consolidate with or merge into any other Person or convey, transfer or lease substantially all of its assets as an entirety to any Person, unless:

(i) the successor or transferee entity shall, if and to the extent required under Section 1110 in order that Loan Trustee continues to be entitled to any benefits of Section 1110 with respect to the Aircraft, be a Citizen of the United States and a Certificated Air Carrier and shall execute and deliver to Loan Trustee an agreement containing the express assumption by such successor or transferee entity of the due and punctual performance and observance of each covenant and condition of the Operative Documents to which Company is a party to be performed or observed by Company;

(ii) if the Aircraft is, at the time, registered with the FAA or such Person is located in a "Contracting State" (as such term is used in the Cape Town Treaty), such Person makes such filings and recordings with the FAA pursuant to the Transportation Code and registration under the Cape Town Treaty, or if the Aircraft is, at the time, not registered with the FAA, such Person makes such filings and recordings with the applicable aviation authority, as are necessary to evidence such consolidation, merger, conveyance, transfer or lease;

(iii) immediately after giving effect to such transaction, no Event of Default shall have occurred and be continuing; and

(iv) Company shall deliver to Loan Trustee and the Liquidity Provider a certificate signed by a Responsible Officer of Company stating that such consolidation, merger, conveyance, transfer or lease and the assumption agreement mentioned in clause (i) above comply with this Section 6.02(e) and that all conditions precedent herein relating to such transaction have been complied with.

Upon any consolidation or merger, or any conveyance, transfer or lease of substantially all of the assets of Company as an entirety in accordance with this Section 6.02(e), the successor Person formed by such consolidation or into which Company is merged or to which such conveyance, transfer or lease is made shall succeed to, and be substituted for, and may exercise every right and power of, Company under this Agreement and the other Operative Documents with the same effect as if such successor Person had been named as Company herein.

(f) Section 1110. Company shall remain a Certificated Air Carrier for as long as and to the extent required under Section 1110 in order that Loan Trustee shall be entitled to any of the benefits of Section 1110 with respect to the Aircraft.

(g) Additional Information. Promptly after the occurrence of a Triggering Event or an Indenture Event of Default resulting from the failure of Company to make payments on any Equipment Note and on every Regular Distribution Date while the Triggering Event or such Indenture Event of Default shall be continuing, Company will, at the Subordination Agent's request from time to time but in any event no more frequently than once every three months, provide to the Subordination Agent a statement setting forth the following information with respect to the Aircraft if then subject to the lien of the Indenture: (A) whether the Aircraft is currently in service or parked in storage, (B) the maintenance status of the Aircraft, and (C) the location of the Engines. As used in this Section 6.02(g), the terms "Triggering Event", "Indenture Event of Default" and "Regular Distribution Date" shall have the respective meanings set forth in the Intercreditor Agreement.

ARTICLE 7

MISCELLANEOUS

Section 7.01. Notices. Unless otherwise expressly specified or permitted by the terms hereof, all notices required or permitted under the terms and provisions of this Agreement shall be in English and in writing, and any such notice may be given by United States mail, courier service or facsimile, and any such notice shall be effective when delivered (or, if mailed, three Business Days after deposit, postage prepaid, in the first class United States mail, and if delivered by facsimile, upon completion of transmission and confirmation by the sender (by a telephone call to a representative of the recipient or by machine confirmation) that such transmission was received) addressed as follows:

if to Company, addressed to:

Federal Express Corporation
3610 Hacks Cross Road
Memphis, TN 38125
Attn: General Counsel

with a copy to:

FedEx Corporation
942 S. Shady Grove Road
Memphis, TN 38120
Attn: Treasurer

with a separate FedEx Corporation copy to: Corporate Vice President, Securities & Corporate Law

if to WTC, Pass Through Trustee, Loan Trustee, Subordination Agent or Pass Through Agent, addressed to:

Wilmington Trust Company

1100 North Market Square
Wilmington, DE 19890-1605
Attention: Global Capital Market Services
Ref: FedEx 2020-1AA EETC
Telephone: [ ]
Telecopy: [ ]

or if to any subsequent Noteholder, addressed to such Noteholder at its address set forth in the Equipment Note Register maintained pursuant to Section 2.07 of the Indenture.

Any party, by notice to the other parties hereto, may designate different addresses for subsequent notices or communications. Whenever the words "notice" or "notify" or similar words are used herein, they mean the provision of formal notice as set forth in this Section 7.01.

Section 7.02. Survival of Representations, Warranties, Indemnities, Covenants and Agreements. The indemnities set forth in Section 4.02 of this Agreement and the confidentiality obligations set forth in Section 5.01(h) of this Agreement shall survive the making of the loans, the transfer of any interest by any Noteholder of its Equipment Note and the expiration or termination of any Operative Documents (in the case of the indemnities, to the extent arising out of acts or events occurring prior to such expiration or termination).

Section 7.03. Governing Law. THIS AGREEMENT HAS BEEN DELIVERED IN THE STATE OF NEW YORK AND SHALL 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 7.04. Severability. To the extent permitted by applicable law, 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 7.05. No Oral Modifications or Continuing Waivers; Consents. Subject to Section 9.03 of the Indenture, 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 against which the enforcement of the change, waiver, discharge or termination is sought. No such change, waiver, discharge or termination shall be effective unless a signed copy thereof is delivered to Loan Trustee.

Section 7.06. Effect of Headings and Table of Contents. The headings of the various Articles and Sections herein and in the Table of Contents are for convenience of reference only and do not define or limit any of the terms or provisions hereof.

Section 7.07. Successors and Assigns. All covenants, agreements, representations and warranties in this Agreement by Company, by WTC, individually or as Loan Trustee, Subordination Agent or Pass Through Trustee, or by any Noteholder, shall bind and inure to the benefit of and be enforceable by Company, and subject to the terms of Section 6.02(e), its successors and permitted assigns, each Pass Through Trustee and any successor or other trustee under the Pass Through Trust Agreement to which it is a party, Subordination Agent and its successor under the Intercreditor Agreement and Loan Trustee and its successor under the Indenture, whether so expressed or not.

Section 7.08. Benefits of Agreement. Subject to the next sentence, nothing in this Agreement, express or implied, gives to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy or claim under this Agreement, except as expressly provided herein. Company agrees and acknowledges that the Liquidity Provider, and each separate or additional trustee appointed pursuant to Section 8.02 of the Indenture shall be third party beneficiaries of the covenants and agreements of Company with respect to the indemnities contained in Section 4.02 and may rely on the covenants and agreements of Company with respect to such indemnities to the same extent as if the covenants and agreements of Company with respect to such indemnities were made to the Liquidity Provider or such trustee, as the case may be, directly. WTC generally, and each of the Loan Trustee, the Subordination Agent and each Pass Through Trustee, insofar as relating to each such Person, agrees and acknowledges that the Liquidity Provider is a third party beneficiary of the representations and warranties set forth in Section 5.01, and that the Liquidity Provider may rely on such representations and warranties to the same extent as if such representations and warranties were made to the Liquidity Provider directly.

Section 7.09. Counterparts. This Agreement may be executed in any number of counterparts. Each of the parties hereto shall not be required to execute the same counterpart. Each counterpart of this Agreement including a signature page or pages executed by each of the parties hereto shall be an original counterpart of this Agreement, but all of such counterparts shall together constitute one instrument.

Section 7.10. Submission to Jurisdiction. Each of the parties hereto, to the extent it may do so under applicable law, for purposes hereof and of all other Operative Documents hereby (a) irrevocably submits itself to the non-exclusive jurisdiction of the courts of the State of New York sitting in the City of New York and to the non-exclusive jurisdiction of the United States District Court for the Southern District of New York, for the purposes of any suit, action or other proceeding arising out of this Agreement, the subject matter hereof or any of the transactions contemplated hereby brought by any party or parties hereto or thereto, or their successors or permitted assigns and (b) waives, and agrees not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, 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 this Agreement or the subject matter hereof or any of the transactions contemplated hereby may not be enforced in or by such courts.

Section 7.11. 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, including, without limitation, making or consenting to registrations (or discharges thereof, as appropriate) with respect to the Indenture on the International Registry and appointing Crowe & Dunlevy, a Professional Corporation (or another qualified FAA counsel), as its "professional user entity" (as defined in the Cape Town Treaty) to make or consent to any registrations (or discharges thereof, as appropriate) on the International Registry with respect to the Airframe or any Engine, in any case, as any other party hereto shall reasonably request in connection with the administration of, or to carry out more effectively the purposes of, or to better assure and confirm into such other party the rights and benefits to be provided under this Agreement, the other Operative Documents and the Pass Through Documents.

Section 7.12. Section 1110. It is the intention of each of Company, Noteholders (such intention being evidenced by each of their acceptance of an Equipment Note), Loan Trustee and other parties hereto that the security interest created by the Indenture, to the fullest extent available under applicable law, entitles the Loan Trustee, on behalf of the Noteholders, to all of the benefits of Section 1110 with respect to the Aircraft, Airframe, Engines and Parts.

IN WITNESS WHEREOF, the parties hereto have caused this Participation Agreement to be duly executed by their respective officers thereunto duly authorized as of the date first above written.

FEDERAL EXPRESS CORPORATION

By: /s/ Herbert C. Nappier
Name: Herbert C. Nappier
Title: Treasurer

WILMINGTON TRUST COMPANY, as Pass Through Trustee under the Pass Through Trust Agreement

By: /s/ Chad May
Name: Chad May
Title: Vice President

WILMINGTON TRUST COMPANY, as Subordination Agent

By: /s/ Chad May
Name: Chad May
Title: Vice President

WILMINGTON TRUST COMPANY, as Loan Trustee

By: /s/ Chad May
Name: Chad May
Title: Vice President

WILMINGTON TRUST COMPANY, in its individual capacity as set forth herein

By: /s/ Chad May
Name: Chad May
Title: Vice President

SCHEDULE I to
PARTICIPATION AGREEMENT

EQUIPMENT NOTES,
PURCHASERS AND ORIGINAL PRINCIPAL AMOUNTS

Purchaser	Description of Equipment Notes	Maturity	Interest Rate	Original Principal Amount
FedEx Pass Through Trust 2020-1AA	Series 2020-1AA-N126FE Equipment Note	February 20, 2034	1.875%	$ 32,875,000.00

SCHEDULE II to
PARTICIPATION AGREEMENT

TRUST SUPPLEMENT

Trust Supplement No. 2020-1AA, dated as of the Issuance Date, between Company and Pass Through Trustee in respect of Federal Express Corporation Pass Through Trust 2020-1AA.

EXHIBIT A-1 to
PARTICIPATION AGREEMENT

FORM OF OPINION OF
COUNSEL FOR FEDEX CORPORATION

[Attached.]

EXHIBIT A-2 to
PARTICIPATION AGREEMENT

FORM OF OPINION OF
SPECIAL COUNSEL FOR COMPANY

[Attached.]

EXHIBIT B to
PARTICIPATION AGREEMENT

FORM OF OPINION OF
SPECIAL COUNSEL FOR LOAN TRUSTEE, PASS THROUGH TRUSTEES,
SUBORDINATION AGENT AND WTC

[Attached.]

EXHIBIT C to
PARTICIPATION AGREEMENT

FORM OF OPINION OF
SPECIAL FAA COUNSEL

[Attached.]

EXHIBIT D to
PARTICIPATION AGREEMENT

FORM OF MANUFACTURER'S CONSENT

[Attached.]

EXHIBIT E to
PARTICIPATION AGREEMENT

FORM OF OPINION OF SPECIAL DELAWARE UCC COUNSEL FOR COMPANY

[Attached.]

DEFINITIONS
(N126FE)

"Additional Series" or "Additional Series Equipment Notes" means Equipment Notes issued under the Indenture and designated as a Series (other than "Series AA") thereunder in the principal amounts and maturities and bearing interest as specified in Schedule I to the Indenture amended at the time of original issuance of such Additional Series under the heading for such Series.

"Additional Series Pass Through Trust" means a grantor trust created to facilitate the issuance and sale of pass through certificates in connection with the issuance of any Additional Series Equipment Notes.

"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" (including "controlled by" and "under common control with") shall mean 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. In no event shall WTC be deemed to be an Affiliate of Loan Trustee or vice versa.

"After-Tax Basis" means that indemnity and compensation payments required to be made on such basis will be supplemented by the Person paying the base amount by that amount which, when added to such base amount, and after deduction of all federal, state, local and foreign Taxes required to be paid by or on behalf of the payee with respect of the receipt or realization of the base amount and any such supplemental amounts, and after consideration of any current tax savings of such payee resulting by way of any deduction, credit or other tax benefit actually and currently realized that is attributable to such base amount or Tax, shall net such payee the full amount of such base amount.

"Agreement" and "Participation Agreement" mean that certain Participation Agreement (N126FE), dated on or before the Closing Date, among Company, WTC, Pass Through Trustee under the Pass Through Trust Agreement, Subordination Agent and Loan Trustee, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Aircraft" means the Airframe (or any Substitute Airframe or Replacement Airframe substituted therefor pursuant to Section 7.04 or Section 7.05, respectively, of the Indenture) together with the two Engines described in the Indenture Supplement originally executed and delivered under the Indenture (or any Replacement Engine that may from time to time be substituted for any of such Engines pursuant to Section 7.04 or Section 7.05 of the Indenture), whether or not any of such initial or substituted Engines is from time to time installed on such Airframe or installed on any other airframe or on any other aircraft. The term "Aircraft" includes any Replacement Aircraft.

"Airframe" means (a) the Boeing 767-3S2F (generic manufacturer and model Boeing 767-300F) aircraft (except (i) the Engines or engines from time to time installed thereon and any and all Parts related to such Engine or engines and (ii) Excluded Equipment) specified on Annex A to the Indenture Supplement originally executed and delivered under the Indenture and (b) any and all related Parts. The term "Airframe" includes any Substitute Airframe or Replacement Airframe that is substituted for the Airframe pursuant to Section 7.04 or Section 7.05, respectively, of the Indenture. At such time as any Substitute Airframe or Replacement Airframe is so substituted and the Airframe for which such substitution is made is released from the Lien of the Indenture, such replaced Airframe shall cease to be an Airframe under the Indenture.

"Bankruptcy Code" means the United States Bankruptcy Code, 11 United States Code §§101 et seq., as amended from time to time, or any successor statutes thereto.

"Basic Pass Through Trust Agreement" means that certain Pass Through Trust Agreement, dated as of August 13, 2020, between Company and WTC, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms (but does not include any Trust Supplement).

"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 New York, New York, Memphis, Tennessee or, if different from the foregoing, the city and state in which Loan Trustee, any Pass Through Trustee or Subordination Agent maintains its Corporate Trust Office or receives and disburses funds.

"Cape Town Treaty" means, collectively, the official English language text of (a) the Convention on International Interests in Mobile Equipment, and (b) the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment, in each case adopted on November 16, 2001, at a diplomatic conference in Cape Town, South Africa, and from and after the effective date of the Cape Town Treaty in the relevant country, means when referring to the Cape Town Treaty with respect to that country, the Cape Town Treaty as in effect in such country, unless otherwise indicated, and (c) all rules and regulations adopted pursuant thereto and, in the case of each of the foregoing described in clauses (a) through (c), all amendments, supplements, and revisions thereto.

"Certificated Air Carrier" means a Citizen of the United States holding an air carrier operating certificate issued by the Secretary of Transportation pursuant to Chapter 447 of Title 49 of the United States Code for aircraft capable of carrying ten or more individuals or 6,000 pounds or more of cargo or that otherwise is certified or registered to the extent required to fall within the purview of Section 1110.

"Citizen of the United States" has the meaning specified for such term in Section 40102(a)(15) of Title 49 of the United States Code or any similar legislation of the United States enacted in substitution or replacement therefor.

"Claim" has the meaning specified in Section 4.02(a) of the Participation Agreement.

"Class AA Liquidity Facility" has the meaning set forth in the Intercreditor Agreement.

"Class AA Liquidity Provider" has the meaning set forth in the Intercreditor Agreement.

"Class AA Pass Through Trust" means the FedEx Pass Through Trust 2020-1AA created pursuant to the Basic Pass Through Trust Agreement, as supplemented by Trust Supplement No. 2020-1AA, dated as of the Issuance Date, between Company and Wilmington Trust Company, as Class AA Trustee.

"Class AA Trustee" means the trustee for the Class AA Pass Through Trust.

"Closing" has the meaning specified in Section 2.03 of the Participation Agreement.

"Closing Date" means the Issuance Date.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Collateral" has the meaning specified in the granting clause of the Indenture.

"Company" means Federal Express Corporation, and its successors and permitted assigns.

"Compulsory Acquisition" means requisition of title or other compulsory acquisition, capture, seizure, deprivation, confiscation or detention for any reason of the Aircraft, the Airframe or any Engine by any government that results in the loss of title or use of the Aircraft, the Airframe or any Engine by Company (or any Permitted Lessee) for a period in excess of 180 consecutive days, but shall exclude requisition for use or hire not involving requisition of title.

"Corporate Trust Office" has the meaning specified in Section 1.01 of the Intercreditor Agreement.

"Debt Rate" means (i) with respect to any Series of Equipment Notes, the rate per annum specified for the applicable Series as such in Schedule I to the Indenture (as amended, in the case of any Series of Additional Series Equipment Notes, or new Additional Series Equipment Notes of any Series issued pursuant to Section 2.02 of the Indenture, at the time of issuance of such Series), 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 in each case any interest payable at the Past Due Rate.

"Department of Transportation" means the United States Department of Transportation and any agency or instrumentality of the United States government succeeding to its functions.

"Direction" has the meaning specified in Section 2.16 of the Indenture.

"Dollars" and "$" mean the lawful currency of the United States.

"Engine" means (a) each of the two CF6-80C2B6F engines (generic manufacturer and model CF6-80C2) listed by manufacturer's serial number and further described on Annex A to the Indenture Supplement originally executed and delivered under the Indenture, whether or not from time to time installed on the Airframe or installed on any other airframe or on any other aircraft and (b) any Replacement Engine substituted for an Engine pursuant to Section 7.04 or 7.05 of the Indenture; together in each case with any and all related Parts but excluding Excluded Equipment. At such time as a Replacement Engine is so substituted and the Engine for which substitution is made is released from the Lien of the Indenture, such replaced Engine shall cease to be an Engine under the Indenture.

"Equipment Note" means and includes any equipment notes issued under the Indenture in the form specified in Section 2.01 thereof (as such form may be varied pursuant to the terms of the Indenture) and any Equipment Note issued in exchange therefor or replacement thereof pursuant to Section 2.07 or 2.08 of the Indenture.

"Equipment Note Register" has the meaning specified in Section 2.07 of the Indenture.

"Equipment Note Registrar" has the meaning specified in Section 2.07 of the Indenture.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder. Section references to ERISA are to ERISA as in effect at the date of the Participation Agreement and any subsequent provisions of ERISA amendatory thereof, supplemental thereto or substituted therefor.

"Event of Default" has the meaning specified in Section 4.01 of the Indenture.

"Event of Loss" means, with respect to the Aircraft, Airframe or any Engine, any of the following events with respect to such property:

(a) the loss of such property or of the use thereof due to destruction, damage beyond repair or rendition of such property permanently unfit for normal use for any reason whatsoever;

(b) any damage to such property which results in an insurance settlement with respect to such property on the basis of a total loss, a compromised total loss or a constructive total loss;

(c) the theft, hijacking or disappearance of such property for a period in excess of 180 consecutive days;

(d) the requisition for use or hire of such property by any government (other than a requisition for use or hire by a Government or the government of the country of registry of the Aircraft) that results in the loss of possession of such property by Company (or any Permitted Lessee) for a period in excess of 12 consecutive months;

(e) the operation or location of the Aircraft, while under requisition for use by any government, in any area excluded from coverage by any insurance policy in effect with respect to the Aircraft required by the terms of Section 7.06 of the Indenture, unless Company shall have obtained indemnity or insurance in lieu thereof from such government;

(f) any Compulsory Acquisition;

(g) as a result of any law, rule, regulation, order or other action by the FAA or other government of the country of registry, the use of the Aircraft or Airframe in the normal business of air transportation is prohibited by virtue of a condition affecting all aircraft of the same type for a period of 18 consecutive months, unless Company is diligently carrying forward all steps that are necessary or desirable to permit the normal use of the Aircraft or Airframe or, in any event, if such use is prohibited for a period of three consecutive years; and

(h) with respect to an Engine only, any divestiture of title to or interest in an Engine or any event with respect to an Engine that is deemed to be an Event of Loss with respect to such Engine pursuant to Section 7.02(a)(vii) of the Indenture.

An Event of Loss with respect to the Aircraft shall be deemed to have occurred if an Event of Loss occurs with respect to the Airframe unless Company elects to substitute a Replacement Airframe pursuant to Section 7.05(a)(i) of the Indenture.

"Excluded Equipment" means (i) defibrillators, enhanced emergency medical kits and other medical equipment, (ii) any items, equipment or systems leased by Company or any Permitted Lessee (other than items, equipment, or systems that are leased from Company pursuant to the applicable Lease) or owned by Company or any Permitted Lessee subject to a conditional sales agreement or a security interest (other than the security interest granted under the Indenture) and (iii) cargo containers.

"FAA" means the United States Federal Aviation Administration and any agency or instrumentality of the United States government succeeding to its functions.

"FAA Bill of Sale" means the bill of sale for the Aircraft on AC Form 8050-2 (or such other form as may be approved by the FAA) executed by Manufacturer or an affiliate of Manufacturer in favor of Company and recorded with the FAA.

"Government" means the government of any of Canada, France, Germany, Japan, The Netherlands, Sweden, Switzerland, the United Kingdom or the United States and any instrumentality or agency thereof.

"Guarantee" means the guarantee dated as of the date hereof, provided by FedEx Corporation, a Delaware corporation, and its successors and assigns, as the same may be amended, supplemented or otherwise modified from time to time.

"Guarantor" means the Guarantor (as defined in the Guarantee).

"Indemnitee" has the meaning specified in Section 4.02(b) of the Participation Agreement.

"Indenture" means that certain Indenture and Security Agreement (N126FE), dated as of the Closing Date, between Company and Loan Trustee, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms, including supplementation by an Indenture Supplement pursuant to the Indenture.

"Indenture Indemnitee" means (i) Loan Trustee, (ii) WTC, (iii) each separate or successor or additional trustee appointed pursuant to Section 8.02 of the Indenture, (iv) so long as it holds any Equipment Notes as agent and trustee of any Pass Through Trustee, Subordination Agent, (v) the Liquidity Provider, (vi) so long as it is the holder of any Equipment Notes, each Pass Through Trustee, and (vii) any of their respective successors and permitted assigns in such capacities, directors, officers, employees, agents and servants. No holder of a Pass Through Certificate in its capacity as such shall be an Indenture Indemnitee.

"Indenture Supplement" means a supplement to the Indenture, substantially in the form of Exhibit A to the Indenture, which particularly describes the Aircraft, and any Substitute Airframe, Replacement Airframe and/or Replacement Engine, included in the property subject to the Lien of the Indenture.

"Intercreditor Agreement" means that certain Intercreditor Agreement, dated as of the Issuance Date, among the Class AA Pass Through Trustee, the Liquidity Provider and Subordination Agent, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms; provided that, for purposes of any obligations of Company, no amendment, modification or supplement to, or substitution or replacement of, such Intercreditor Agreement shall be effective unless consented to by Company.

"Interests" has the meaning specified in Section 7.06(a) of the Indenture.

"International Interest" has the meaning ascribed to the defined term "international interest" under the Cape Town Treaty.

"International Registry" means the international registry established pursuant to the Cape Town Treaty.

"Issuance Date" means August 13, 2020.

"Lease" means any lease permitted by the terms of Section 7.02(a) of the Indenture.

"Lien" means any mortgage, pledge, lien, encumbrance, lease, sublease, sub-sublease or security interest.

"Liquidity Facility" means, collectively, the Class AA Liquidity Facility.

"Liquidity Provider" means, collectively, Class AA Liquidity Provider.

"Loan Trustee" has the meaning specified in the introductory paragraph of the Indenture.

"Loan Trustee Liens" means any Lien attributable to WTC or Loan Trustee with respect to the Aircraft, any interest therein or any other portion of the Collateral arising as a result of (i) claims against WTC or Loan Trustee not related to its interest in the Aircraft or the administration of the Collateral pursuant to the Indenture, (ii) acts of WTC or Loan Trustee not permitted by, or the failure of WTC or Loan Trustee to take any action required by, the Operative Documents or the Pass Through Documents, (iii) claims against WTC or Loan Trustee relating to Taxes or Claims that are excluded from the indemnification provided by Section 4.02 of the Participation Agreement pursuant to said Section 4.02 or (iv) claims against WTC or Loan Trustee arising out of the transfer by any such party of all or any portion of its interest in the Aircraft, the Collateral, the Operative Documents or the Pass Through Documents, except while an Event of Default is continuing and prior to the time that Loan Trustee has received all amounts due to it pursuant to the Indenture.

"Make-Whole Amount" means, with respect to any Equipment Note, the amount (as determined by an independent investment banker selected by Company (and, following the occurrence and during the continuance of an Event of Default, reasonably acceptable to Loan Trustee)), if any, by which (i) the present value of the remaining scheduled payments of principal and interest from the redemption date to maturity of such Equipment Note computed by discounting each such payment on a semiannual basis from its respective Payment Date (assuming a 360-day year of twelve 30 day months) using a discount rate equal to the Treasury Yield plus the Make-Whole Spread exceeds (ii) the outstanding principal amount of such Equipment Note plus accrued but unpaid interest thereon to the date of redemption. For purposes of determining the Make-Whole Amount, "Treasury Yield" means, at the date of determination, the interest rate (expressed as a semiannual equivalent and as a decimal rounded to the number of decimal places as appears in the Debt Rate of such Equipment Note and, in the case of United States Treasury bills, converted to a bond equivalent yield) determined to be the per annum rate equal to the semiannual yield to maturity for United States Treasury securities maturing on the Average Life Date and trading in the public securities market either as determined by interpolation between the most recent weekly average constant maturity, non- inflation-indexed series yield to maturity for two series of United States Treasury securities, trading in the public securities markets, (A) one maturing as close as possible to, but earlier than, the Average Life Date and (B) the other maturing as close as possible to, but later than, the Average Life Date, in each case as reported in the most recent H.15 Page or, if a weekly average constant maturity, non-inflation indexed series yield to maturity for United States Treasury securities maturing on the Average Life Date is reported in the most recent H.15 Page, such weekly average yield to maturity as reported in such H.15 Page. "H.15 Page" means the H.15 Page published by the Board of Governors of the Federal Reserve System on its website (or successor publication of such information by such Board of Governors). The date of determination of a Make-Whole Amount shall be the third Business Day prior to the applicable redemption date and the "most recent H.15 Page" means the H.15 Page published prior to the close of business on the third Business Day prior to the applicable redemption date. "Average Life Date" means, for each Equipment Note to be redeemed, the date which follows the redemption date by a period equal to the Remaining Weighted Average Life at the redemption date of such Equipment Note. "Remaining Weighted Average Life" of an Equipment Note, at the redemption date of such Equipment Note, means the number of days equal to the quotient obtained by dividing: (i) the sum of the products obtained by multiplying (A) the amount of each then remaining installment of principal, including the payment due on the maturity date of such Equipment Note, by (B) the number of days from and including the redemption date to but excluding the scheduled Payment Date of such principal installment by (ii) the then unpaid principal amount of such Equipment Note. Loan Trustee shall have no obligation to calculate, or verify the calculation of, the Make-Whole Amount.

"Make-Whole Spread" means, with respect to any Series of Equipment Notes, the percentage specified for the applicable Series as such in Schedule I to the Indenture (as amended, in the case of any Additional Series or new Additional Series issued pursuant to Section 2.02 of the Indenture, at the time of issuance of such Series).

"Manufacturer" means The Boeing Company, a Delaware corporation, and its successors and assigns.

"Manufacturer's Consent" means the Manufacturer's Consent and Agreement to Assignment of Warranties, dated as of the Closing Date, substantially in the form of Exhibit D to the Participation Agreement.

"Noteholder" means any Person in whose name an Equipment Note is registered on the Equipment Note Register (including, for so long as it is the registered holder of any Equipment Notes, Subordination Agent on behalf of Pass Through Trustees pursuant to the provisions of the Intercreditor Agreement).

"Noteholder Liens" means any Lien attributable to any Noteholder on or against the Aircraft, any interest therein or any other portion of the Collateral, arising out of any claim against such Noteholder that is not related to the Operative Documents or Pass Through Documents, or out of any act or omission of such Noteholder that is not related to the transactions contemplated by, or that constitutes a breach by such Noteholder of its obligations under, the Operative Documents or the Pass Through Documents.

"Operative Documents" means, collectively, the Participation Agreement, the Indenture, each Indenture Supplement, the Manufacturer's Consent and the Equipment Notes.

"Operative Indentures" means, as of any date, each "Indenture" (as such term is defined in the Intercreditor Agreement), dated as of the date of the Indenture, including the Indenture, but only if as of such date all "Equipment Notes" (as defined in each such "Indenture") are held by "Subordination Agent" under the "Intercreditor Agreement", as such terms are defined in each such "Indenture".

"Other Party Liens" means any Lien attributable to any Pass Through Trustee (other than in its capacity as Noteholder), Subordination Agent (other than in its capacity as Noteholder) or the Liquidity Provider on or against the Aircraft, any interest therein, or any other portion of the Collateral arising out of any claim against such party that is not related to the Operative Documents or Pass Through Documents, or out of any act or omission of such party that is not related to the transactions contemplated by, or that constitutes a breach by such party of its obligations under, the Operative Documents or the Pass Through Documents.

"Participation Agreement" has the meaning set forth under the definition of "Agreement".

"Parts" means any and all appliances, parts, instruments, appurtenances, accessories, furnishings and other equipment of whatever nature (other than (a) complete Engines or engines and (b) Excluded Equipment), so long as the same are incorporated or installed in or attached to the Airframe or any Engine or so long as the same are subject to the Lien of the Indenture in accordance with the terms of Section 7.04 thereof after removal from the Airframe or any Engine.

"Pass Through Certificates" means the pass through certificates issued by any Pass Through Trust (and any other pass through certificates for which such pass through certificates may be exchanged).

"Pass Through Documents" means the Class AA Pass Through Trust Agreement, the Intercreditor Agreement and the Liquidity Facility.

"Pass Through Trust" means the grantor trust that has been created pursuant to the Class AA Pass Through Trust Agreement to facilitate certain of the transactions contemplated by the Operative Documents.

"Pass Through Trust Agreement" means the Trust Supplement relating to the Class AA Pass Through Trust, together with the Basic Pass Through Trust Agreement, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Pass Through Trustee" means the trustee under the Class AA Pass Through Trust Agreement, together with any successor in interest and any successor or other trustee appointed as provided in such Pass Through Trust Agreement.

"Past Due Rate" means the lesser of (a) with respect to (i) any payment made to a Noteholder under any Series of Equipment Notes, the Debt Rate then applicable to such Series plus 1% and (ii) any other payment made under any Operative Document to any other Person, the Debt Rate plus 1% (computed on the basis of a year of 360 days comprised of twelve 30-day months) and (b) the maximum rate permitted by applicable law.

"Payment Date" means, for any Equipment Note, each February 20 and August 20, commencing with February 20, 2021.

"Permitted Lessee" means any Person to whom Company is permitted to lease the Airframe or any Engine pursuant to Section 7.02(a) of the Indenture and is a party to a Lease.

"Permitted Lien" has the meaning specified in Section 7.01 of the Indenture. "Person" means any person, including any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, trustee, unincorporated organization or government or any agency or political subdivision thereof.

"Prospective International Interest" has the meaning ascribed to the defined term "prospective international interest" under the Cape Town Treaty.

"Purchase Agreement" means Purchase Agreement No. 3712, dated as of December 14, 2011, which incorporates by reference the Aircraft General Terms Agreement AGTA-FED, dated as of November 7, 2006, between Manufacturer and Company, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Related Equipment Note" means, as of any date, an "Equipment Note" as defined in each Related Indenture, but only if as of such date it is held by "Subordination Agent" under the "Intercreditor Agreement", as such terms are defined in such Related Indenture.

"Related Indemnitee Group" has the meaning specified in Section 4.02(b) of the Participation Agreement.

"Related Indenture" means each Operative Indenture (other than the Indenture).

"Related Indenture Indemnitee" means each Related Noteholder.

"Related Noteholder" means a registered holder of a Related Equipment Note.

"Replacement Aircraft" means the Aircraft of which a Replacement Airframe is part. "Replacement Airframe" means a Boeing 767-3S2F aircraft or a comparable or improved model of Manufacturer (except (a) Engines or engines from time to time installed thereon and any and all Parts related to such Engine or engines and (b) Excluded Equipment), that shall have been made subject to the Lien of the Indenture pursuant to Section 7.05 thereof, together with all Parts relating to such aircraft.

"Replacement Engine" means a CF6-80C2B6F engine (or an engine of the same or another manufacturer of a comparable or an improved model and suitable for installation and use on the Airframe with the other Engine (or any other Replacement Engine being substituted simultaneously therewith)) that is made subject to the Lien of the Indenture pursuant to Section 7.04 or Section 7.05 thereof, together with all Parts relating to such engine.

"Responsible Officer" means, with respect to Company, its Chief Executive Officer, Chairman of the Board, its President, its Chief Operating Officer, any Executive Vice President, any Senior Vice President, the Chief Financial Officer, any Vice President, the Treasurer, the Assistant Treasurer, the Controller, the Assistant Secretary or the Secretary.

"Section 1110" means Section 1110 of the Bankruptcy Code.

"Securities Act" means the Securities Act of 1933, as amended from time to time.

"Series" means any series of Equipment Notes, including the Series AA Equipment Notes, or, if issued, any Additional Series Equipment Notes.

"Series AA" or "Series AA Equipment Notes" means Equipment Notes issued and designated as "Series AA Equipment Notes" under the Indenture, in the original principal amount and maturities as specified in Schedule I to the Indenture under the heading "Series AA Equipment Notes" and bearing interest at the Debt Rate for Series AA Equipment Notes specified in Schedule I to the Indenture.

"Similar Law" has the meaning specified in Section 4.02(d)(xi) of the Participation Agreement.

"Subordination Agent" has the meaning specified in the introductory paragraph of the Participation Agreement.

"Substitute Airframe" means a Boeing 767-3S2F aircraft or a comparable or improved model of Manufacturer (except (a) Engines or engines from time to time installed thereon and any and all Parts related to such Engine or engines and (b) Excluded Equipment), that shall have been made subject to the Lien of the Indenture pursuant to Section 7.04 thereof, together with all Parts relating to such aircraft.

"Tax" and "Taxes" mean all governmental fees (including, without limitation, license, filing and registration fees) and all taxes (including, without limitation, franchise, excise, stamp, value added, income, gross receipts, sales, use and property taxes), withholdings, assessments, levies, imposts, duties or charges, of any nature whatsoever, together with any related penalties, fines, additions to tax or interest thereon imposed, withheld, levied or assessed by any country, taxing authority or governmental subdivision thereof or therein or by any international authority, including any taxes imposed on any Person as a result of such Person being required to collect and pay over withholding taxes.

"Transportation Code" means that portion of Title 49 of the United States Code comprising those provisions formerly referred to as the Federal Aviation Act of 1958, as amended, or any subsequent legislation that amends, supplements or supersedes such provisions.

"Trust Indenture Act" means the Trust Indenture Act of 1939, as amended from time to time.

"Trust Officer" means any officer within the Corporate Trust Office of Loan Trustee, including any vice president, assistant vice president, assistant secretary, assistant treasurer or any other officer of Loan Trustee who shall have direct responsibility for the administration of the Indenture, or any other officer of Loan Trustee to whom such matter is referred because of his or her knowledge of and familiarity with the particular subject.

"Trust Supplement" means that agreement supplemental to the Basic Pass Through Trust Agreement referred to in Schedule II to the Participation Agreement.

"UCC" means the Uniform Commercial Code as in effect in any applicable jurisdiction.

"United States" means the United States of America.

"WTC" has the meaning specified in the introductory paragraph of the Participation Agreement.

"Warranty Bill of Sale" means the warranty (as to title) bill of sale covering the Aircraft executed by Manufacturer or an affiliate of Manufacturer in favor of Company and specifically referring to each Engine, as well as the Airframe, constituting a part of the Aircraft.

Exhibit 4.8

EXECUTION VERSION

PARTICIPATION AGREEMENT
(N869FD)

Dated as of August 13, 2020

among

FEDERAL EXPRESS CORPORATION,

WILMINGTON TRUST COMPANY,
as Pass Through Trustee under the
Pass Through Trust Agreement,

WILMINGTON TRUST COMPANY,
as Subordination Agent,

WILMINGTON TRUST COMPANY,
as Loan Trustee,

and

WILMINGTON TRUST COMPANY,
in its individual capacity as set forth herein

One Boeing 777FS2

(Generic Manufacturer and Model Boeing 777F) Aircraft
U.S. Registration No. N869FD

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PARTICIPATION AGREEMENT
(N869FD)

This PARTICIPATION AGREEMENT (N869FD), dated as of August 13, 2020, is made by and among FEDERAL EXPRESS CORPORATION, a Delaware corporation (together with its successors and permitted assigns, "Company"), WILMINGTON TRUST COMPANY, a Delaware trust company (in its individual capacity, together with its successors and permitted assigns, "WTC"), not in its individual capacity except as otherwise expressly provided in any of the Operative Documents or the Pass Through Documents, but solely as Pass Through Trustee under the Pass Through Trust Agreement (such terms and other capitalized terms used herein without definition being defined as provided in Section 1.01), WILMINGTON TRUST COMPANY, a Delaware trust company, as subordination agent and trustee (in such capacity, together with any successor trustee in such capacity, "Subordination Agent") under the Intercreditor Agreement, and WILMINGTON TRUST COMPANY, a Delaware trust company, as loan trustee (in such capacity, together with any successor trustee in such capacity, "Loan Trustee") under the Indenture.

WITNESSETH:

WHEREAS, Company is the owner of that certain Boeing Model 777FS2 aircraft more particularly described in the Indenture Supplement originally executed and delivered under the Indenture;

WHEREAS, concurrently with the execution and delivery of this Agreement, Company and Loan Trustee are entering into the Indenture, pursuant to which, among other things, Company will issue one series of Equipment Notes, which Equipment Notes are to be secured by a security interest in all right, title and interest of Company in and to the Aircraft and certain other property described in the Indenture;

WHEREAS, pursuant to the Basic Pass Through Trust Agreement and the Trust Supplement set forth in Schedule II, the Pass Through Trust was created and the Pass Through Certificates issued and sold;

WHEREAS, pursuant to the Intercreditor Agreement, Subordination Agent will hold the Equipment Notes on behalf of the Pass Through Trust;

NOW, THEREFORE, in consideration of the foregoing premises and 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 1

DEFINITIONS

Section 1.01. Definitions. For the purposes of this Agreement, unless the context otherwise requires, capitalized terms used but not defined herein shall have the respective meanings set forth or incorporated by reference in Annex A.

Section 1.02. Other Definitional Provisions. (a) The definitions stated herein and in Annex A apply equally to both the singular and the plural forms of the terms defined.

(a) All references in this Agreement to designated "Articles", "Sections", "Subsections", "Schedules", "Exhibits", "Annexes" and other subdivisions are to the designated Article, Section, Subsection, Schedule, Exhibit, Annex or other subdivision of this Agreement, unless otherwise specifically stated.

(b) 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, Subsection, Schedule, Exhibit, Annex or other subdivision.

(c) All references in this Agreement to a "government" are to such government and any instrumentality or agency thereof.

(d) Unless the context otherwise requires, whenever the words "including", "include" or "includes" are used herein, they shall be deemed to be followed by the phrase "without limitation".

(e) All references in this Agreement to a Person shall include successors and permitted assigns of such Person.

ARTICLE 2

THE LOANS

Section 2.01. The Loans. Subject to the terms and conditions of this Agreement and the Indenture, on the Closing Date, Pass Through Trustee for each Pass Through Trust shall make a loan to Company by paying to Company the aggregate original principal amounts of the Equipment Notes being issued to such Pass Through Trust as set forth on Schedule I opposite the name of such Pass Through Trust. Pass Through Trustees, on behalf of the Pass Through Trusts, shall make such loans to Company no later than 11:00 a.m. (New York City time) on the Closing Date by transferring such amount in immediately available funds to Company at its account at [ ] with the request that the bank advise Company by telephone at [ ] upon transfer of the funds.

Section 2.02. Issuance of Equipment Notes. Upon the occurrence of the above payments by Pass Through Trustee for each Pass Through Trust to Company, Company shall issue, pursuant to and in accordance with Article II of the Indenture, to Subordination Agent as agent and trustee for Pass Through Trustee for each Pass Through Trust, one or more Equipment Notes of the maturity and aggregate original principal amount and bearing the interest rate set forth in Schedule I opposite the name of such Pass Through Trust. Each such Equipment Note shall be duly authenticated by Loan Trustee pursuant to the Indenture, registered in the name of Subordination Agent and dated the Closing Date and shall be delivered by Loan Trustee to Subordination Agent. In addition, subject to Section 8.01(c) or 8.01(d) of the Intercreditor Agreement, as applicable, Company shall have the option after the Closing Date, at any time and from time to time, (i) to issue one or more Series of Additional Series Equipment Notes under the Indenture (including, for the avoidance of doubt, multiple issuances at the same or different times resulting in more than one Series of Additional Series Equipment Notes being outstanding at any time) and (ii) at any time following the payment in full at maturity or otherwise of all but not less than all of any Series of Additional Series Equipment Notes, to issue, to a grantor trust newly formed for such purpose, under the Indenture new Equipment Notes with the same Series designation as, but with terms that may be the same as or different from those of, such Equipment Notes that have been paid in full. If Additional Series Equipment Notes or new Additional Series Equipment Notes are so issued after the Closing Date, each Noteholder of such Equipment Notes shall be deemed to be a party hereto without further act, and shall be entitled to execute, and at the request of Company shall execute, a counterpart to this Agreement. Subject to Section 8.01(c) or 8.01(d) of the Intercreditor Agreement, as applicable, each of the parties hereto agrees, at the Company's request, to enter into any amendments to (or any amendment and restatement of) this Agreement, any of the other Operative Documents and the Pass Through Documents as may be necessary or desirable (A) to give effect to (x) any redemption and issuance, any issuance or any payment and issuance of any such Additional Series Equipment Notes or new Additional Series Equipment Notes, as applicable, and the issuance of pass through certificates by any pass through trust that acquires any such Additional Series Equipment Notes or new Additional Series Equipment Notes, as applicable, or (y) any redemption and issuance, any issuance or any payment and issuance of any new or "Additional Series Equipment Notes" of any Series or new "Additional Series Equipment Notes" of any Series, in each case under any Related Indenture, and the issuance of pass through certificates by any pass through trust that acquires any such Additional Series Equipment Notes" or new "Additional Series Equipment Notes", as applicable, and (B) to make changes relating to any of the foregoing (including, without limitation, to provide for any prefunding mechanism in connection therewith) and to provide for any credit support for any pass through certificates relating to any such Additional Series Equipment Notes or new Additional Series Equipment Notes or "Additional Series Equipment Notes" of any Series or new "Additional Series Equipment Notes" of any Series in each case under any Related Indenture (including, without limitation, to provide for payment of fees, interest, expenses, reimbursement of advances and other obligations arising from such credit support (including, without limitation, to specify such credit support as a "Liquidity Facility" and the provider of any such credit support as a "Liquidity Provider" and, if such Liquidity Facility is to be comprised of more than one instrument, to incorporate appropriate mechanics for multiple Liquidity Facilities for a single Pass Through Trust)). For the avoidance of doubt, if Company shall issue "Additional Series Equipment Notes" of any Series or new "Additional Series Equipment Notes" of any Series, in each case under any Related Indenture, Company may, but shall not be required to, issue, as the case may be, Additional Series Equipment Notes of the same Series or new Additional Series Equipment Notes of the same Series, in each case under the Indenture.

Section 2.03. The Closing. The closing (the "Closing") of the transactions contemplated hereby shall take place via teleconference at [10:00] a.m. (New York City time) on August 13, 2020, or at such other time or place as the parties shall agree.

ARTICLE 3

CONDITIONS PRECEDENT

Section 3.01. Conditions Precedent to Obligations of Pass Through Trustees. The obligation of each Pass Through Trustee to make the loan contemplated by Article 2 is subject to the fulfillment (or the waiver by such Pass Through Trustee) prior to or on the Closing Date of the following conditions precedent:

(a) Authentication. Company shall have tendered the Equipment Notes being issued on the Closing Date to Loan Trustee for authentication, and Loan Trustee shall have authenticated such Equipment Notes and shall have tendered such Equipment Notes to Subordination Agent on behalf of the Pass Through Trustee, against receipt of the loan proceeds, in accordance with Section 2.02.

(b) No Changes in Law. No change shall have occurred after the date of this Agreement in applicable law or regulations thereunder or interpretations thereof by appropriate regulatory authorities or any court that would make it a violation of law or governmental regulations for Pass Through Trustees to make the loans contemplated by Section 2.01 or to acquire the Equipment Notes.

(c) Documentation. This Agreement and the following documents shall have been duly authorized, executed and delivered by the respective party or parties thereto (other than Pass Through Trustees or Loan Trustee), shall be in full force and effect and executed counterparts (or copies thereof where indicated) thereof shall have been delivered to each Pass Through Trustee:

(i) the Intercreditor Agreement;

(ii) the Liquidity Facility;

(iii) the Pass Through Trust Agreements;

(iv) the Indenture and the Indenture Supplement covering the Aircraft and dated the Closing Date;

(v) the Guarantee

(vi) the Manufacturer's Consent;

(vii) a copy of the FAA Bill of Sale; and

(viii) a copy of the Warranty Bill of Sale.

(d) Financing Statement. A Uniform Commercial Code financing statement or statements covering the security interest created by the Indenture naming Company, as debtor, and Loan Trustee, as secured party, shall have been (or shall be in the process of being) duly filed in all places necessary or desirable within the State of Delaware.

(e) Certain Closing Certificates. Each Pass Through Trustee shall have received the following:

(i) (x) a certificate dated the Closing Date of the Secretary or an Assistant Secretary of Company, certifying as to (A) a copy of the resolutions of the Board of Directors of Company or the executive or any other applicable committee thereof duly authorizing the transactions contemplated hereby and the execution, delivery and performance by Company of this Agreement and the Indenture and each other document required to be executed and delivered by Company in accordance with the provisions hereof or thereof and (B) a copy of the certificate of incorporation and by-laws of Company, as in effect on the Closing Date and (y) a certificate dated the Closing Date of the Secretary or an Assistant Secretary of Guarantor, certifying as to (A) a copy of the resolutions of the Board of Directors of Guarantor or the executive or any other applicable committee thereof duly authorizing the transactions contemplated hereby and the execution, delivery and performance by Guarantor of the Guarantee and each other document required to be executed and delivered by Guarantor in accordance with the provisions hereof or thereof and (B) a copy of the certificate of incorporation and by-laws of Guarantor, as in effect on the Closing Date;

(ii) a certificate or other evidence from the Secretary of State of the State of Delaware, dated as of a date reasonably near the Closing Date, as to the due incorporation and good standing of Company and the Guarantor in such state;

(iii) an incumbency certificate of (x) Company as to the person or persons authorized to execute and deliver this Agreement, the Indenture and each other document to be executed by Company in connection with the transactions contemplated hereby and thereby, and the specimen signatures of such person or persons and (y) Guarantor as to the person or persons authorized to execute and deliver the Guarantee and each other document to be executed by Guarantor in connection with the transactions contemplated hereby and thereby, and the specimen signatures of such person or persons; and

(iv) one or more certificates of Loan Trustee and Subordination Agent certifying to the reasonable satisfaction of Pass Through Trustees as to the due authorization, execution, delivery and performance by Loan Trustee and Subordination Agent of each of the Operative Documents to which Loan Trustee or Subordination Agent is or will be a party and any other documents to be executed by or on behalf of Loan Trustee or Subordination Agent in connection with the transactions contemplated hereby or thereby.

(f) Representations; No Event of Default or Event of Loss. On the Closing Date, the following statements shall be correct: (i) the representations and warranties of (x) Company herein are correct in all material respects as though made on and as of such date, except to the extent that such representations and warranties relate solely to an earlier date (in which case such representations and warranties are correct on and as of such earlier date) and (y) made by Guarantor in the Guarantee are correct in all material respects as though made on and as of such date, except to the extent that such representations and warranties relate solely to an earlier date (in which case such representations and warranties are correct on and as of such earlier date) and (ii) no event has occurred and is continuing that constitutes an Event of Default or an Event of Loss with respect to the Aircraft or would constitute an Event of Default or such an Event of Loss but for the requirement that notice be given or time elapse or both.

(g) Opinion of Counsel to Company. Each Pass Through Trustee and Loan Trustee shall have received (i) an opinion addressed to it from the General Counsel, an Associate General Counsel or an Assistant General Counsel of FedEx Corporation (or from such other internal counsel to FedEx Corporation as shall be reasonably satisfactory to Pass Through Trustees) substantially in the form set forth in **Exhibit A-1** and (ii) an opinion addressed to it from Davis Polk & Wardwell LLP substantially in the form set forth in **Exhibit A-2**.

(h) Opinion of Counsel to WTC, Loan Trustee, Pass Through Trustee and Subordination Agent. Each Pass Through Trustee and Loan Trustee shall have received an opinion addressed to it from Morris James LLP, special counsel for WTC, Loan Trustee, Pass Through Trustees and Subordination Agent, substantially in the form set forth in **Exhibit B**.

(i) Opinion of FAA Counsel. Each Pass Through Trustee and Loan Trustee shall have received an opinion addressed to it from Crowe & Dunlevy, a Professional Corporation, special FAA counsel in Oklahoma City, Oklahoma, substantially in the form set forth in **Exhibit C**.

(j) Certification from Company. Each Pass Through Trustee and Loan Trustee shall have received a certificate or certificates signed by the chief financial or accounting officer, any Senior Vice President, the Treasurer, any Vice President or any Assistant Treasurer (or any other Responsible Officer) of Company or Guarantor, dated the Closing Date, certifying as to the correctness of the matters stated in Section 3.01(f).

(k) Certification from WTC, Loan Trustee and Subordination Agent. Each Pass Through Trustee shall have received a certificate from WTC in its individual capacity and as Loan Trustee and Subordination Agent, as applicable, dated the Closing Date, signed by an authorized officer of WTC in its individual capacity and as Loan Trustee and Subordination Agent, as applicable, certifying for each such entity that no Loan Trustee Liens or Other Party Liens attributable to it, as applicable, exist, and further certifying as to the correctness of each of the matters stated in Section 5.01.

(l) [Reserved.]

(m) Insurance Matters. Loan Trustee shall have received an insurance report of an independent insurance broker and the related certificates of insurance, each in form and substance reasonably satisfactory to Loan Trustee, as to the compliance with the terms of Section 7.06 of the Indenture relating to insurance with respect to the Aircraft.

(n) No Proceedings. No action or proceeding shall have been instituted nor shall governmental action be threatened before any court or governmental agency, nor shall any order, judgment or decree have been issued or proposed to be issued by any court or governmental agency at the time of the Closing to set aside, restrain, enjoin or prevent the completion and consummation of this Agreement or the transactions contemplated hereby.

(o) Funding of Pass Through Trusts. Each Pass Through Trustee shall have received in immediately available funds an amount at least equal to the aggregate purchase price of the Equipment Notes to be purchased from Company by such Pass Through Trustee.

(p) Manufacturer's Consent. Loan Trustee shall have received an executed copy of the Manufacturer's Consent substantially in the form set forth in **Exhibit D**.

(q) Governmental Approvals. 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 has 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 have been issued.

Promptly upon the recording of the Indenture (with the Indenture Supplement covering the Aircraft attached) pursuant to the Transportation Code and the receipt of appropriate and correct recording information from the FAA, Company will cause Crowe & Dunlevy, a Professional Corporation, special FAA counsel in Oklahoma City, Oklahoma to deliver to Subordination Agent, to Pass Through Trustees, to Loan Trustee and to Company an opinion as to the due recording of such instrument and the lack of filing of any intervening documents with respect to the Aircraft.

Section 3.02. Conditions Precedent to Obligations of Company. The obligation of Company to issue and sell the Equipment Notes is subject to the fulfillment (or waiver by Company) prior to or on the Closing Date of the following conditions precedent:

(a) No Changes in Law. No change shall have occurred after the date of this Agreement in applicable law or regulations thereunder or interpretations thereof by appropriate regulatory authorities or any court that would make it a violation of law or governmental regulations for Company to enter into any transaction contemplated by the Operative Documents or the Pass Through Documents.

(b) Documentation. The documents referred to in Section 3.01(c) shall have been duly authorized, executed and delivered by the respective party or parties thereto (other than Company and Guarantor), shall be in full force and effect and executed counterparts (or copies thereof where indicated) thereof shall have been delivered to Company, and Company shall have received such documents and evidence with respect to WTC, the Liquidity Provider, Loan Trustee, Subordination Agent and each Pass Through Trustee as Company reasonably requests in order to establish the consummation of the transactions contemplated by this Agreement, the taking of all corporate and other proceedings in connection therewith and compliance with the conditions herein set forth.

(c) FAA Filing. The Indenture (with the Indenture Supplement covering the Aircraft attached) shall have been duly filed for recordation (or shall be in the process of being so duly filed for recordation) with the FAA pursuant to the Transportation Code. The registration of the International Interests (or Prospective International Interests) created under the Indenture (as supplemented by the Indenture Supplement with respect to the Aircraft) shall have been effected (or shall be in the process of being so effected) on the International Registry in accordance with the Cape Town Treaty.

(d) Representations and Warranties. On the Closing Date, the representations and warranties herein of WTC, Loan Trustee, Subordination Agent and Pass Through Trustees shall be correct as though made on and as of such date, except to the extent that such representations and warranties relate solely to an earlier date (in which case such representations and warranties shall have been correct on and as of such earlier date), and, insofar as such representations and warranties concern WTC, Loan Trustee, Subordination Agent or any Pass Through Trustee, such party shall have so certified to Company.

(e) Certain Opinions and Certificates. Company shall have received each opinion referred to in Sections 3.01(h) and 3.01(i), each such opinion addressed to Company or accompanied by a letter from the counsel rendering such opinion authorizing Company to rely on such opinion as if it were addressed to Company, and the certificates referred to in Sections 3.01(e)(iv) and 3.01(k).

(f) Certain Opinion of Special Delaware Counsel. Company shall have received an opinion addressed to it from Richards, Layton & Finger, P.A., special Delaware counsel for Company as to UCC matters, substantially in the form set forth in **Exhibit E**.

(g) No Proceedings. No action or proceeding shall have been instituted nor shall governmental action be threatened before any court or governmental agency, nor shall any order, judgment or decree have been issued or proposed to be issued by any court or governmental agency at the time of the Closing to set aside, restrain, enjoin or prevent the completion and consummation of this Agreement or the transactions contemplated hereby.

(h) No Other Party Liens, etc. Company shall have received a certificate from WTC dated the Closing Date, signed by an authorized officer of WTC, certifying for each Pass Through Trustee that no Other Party Liens attributable to it exist and further certifying as to the correctness of each of the matters stated in Section 5.01.

(i) Payment for Equipment Notes. Company shall have been paid by each Pass Through Trustee the aggregate original principal amount of the Equipment Notes being issued to such Pass Through Trustee as set forth on Schedule I opposite the name of such Pass Through Trust.

(j) Tax Forms. Each of the Pass Through Trustee and the Subordination Agent shall have provided a completed and executed copy of IRS Form W-9 to each of the Company, the Subordination Agent and the Liquidity Provider.

ARTICLE 4

REPRESENTATIONS, WARRANTIES AND INDEMNITIES OF COMPANY

Section 4.01. Representations and Warranties of Company. Company represents and warrants that:

(a) Organization; Authority; Qualification. Company is a corporation duly incorporated and validly existing in good standing under the laws of the State of Delaware, is a Certificated Air Carrier, is a Citizen of the United States, has the corporate power and authority to own its properties or hold them under lease and to enter into and perform its obligations under the Operative Documents to which it is a party and is duly qualified to do business as a foreign corporation in good standing in each other jurisdiction in which the failure to so qualify would have a material adverse effect on the consolidated financial condition of Company and its subsidiaries, considered as a whole, and its jurisdiction of organization (as such term is used in Article 9 of the Uniform Commercial Code as in effect in the State of Delaware) is Delaware.

(b) Corporate Action and Authorization; No Violations. The execution, delivery and performance by Company of this Agreement and the other Operative Documents to which Company is a party have been duly authorized by all necessary corporate action on the part of Company, do not require any stockholder approval or approval or consent of any trustee or holder of any indebtedness or obligations of Company, except such as have been duly obtained and are in full force and effect, and do not contravene any law, governmental rule, regulation, judgment or order binding on Company or the certificate of incorporation or by-laws of Company or contravene or result in a breach of, or constitute a default under, or result in the creation of any Lien (other than as permitted under the Indenture) upon the property of Company under, any material indenture, mortgage, contract or other agreement to which Company is a party or by which it or any of its properties may be bound or affected.

(c) Governmental Approvals. Neither the execution and delivery by Company of this Agreement and the other Operative Documents to which it is a party, nor the consummation by Company of any of the transactions contemplated hereby or thereby, requires 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, the Department of Transportation, the FAA or any other federal or state governmental authority or agency, or the International Registry, except for (i) the registration of the issuance and sale of the Pass Through Certificates under the Securities Act and under the securities laws of any state or other jurisdiction in which the Pass Through Certificates may be offered for sale if the laws of such state or other jurisdiction require such action, (ii) the qualification of the Pass Through Trust Agreements under the Trust Indenture Act, (iii) the orders, permits, waivers, exemptions, authorizations and approvals of the regulatory authorities having jurisdiction over Company's ownership or operation of the Aircraft required to be obtained on or prior to the Closing Date, which orders, permits, waivers, exemptions, authorizations and approvals have been duly obtained and are, or on the Closing Date will be, in full force and effect, (iv) the filings and registrations referred to in Section 4.01(e), (v) authorizations, consents, approvals, notices and filings required to be obtained, taken, given or made under securities or Blue Sky or similar laws of the various states and foreign jurisdictions and (vi) consents, approvals, notices, registrations and other actions required to be obtained, given, made or taken only after the date hereof.

(d) Valid and Binding Agreements. This Agreement and each other Operative Document to which Company is a party have been duly executed and delivered by Company and constitute the legal, valid and binding obligations of Company enforceable against Company in accordance with their terms, except as the same may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the rights of creditors generally and by general principles of equity and except, in the case of the Indenture, as limited by applicable laws that may affect the remedies provided in the Indenture, which laws, however, do not make the remedies provided in the Indenture inadequate for the practical realization of the rights and benefits intended to be provided thereby.

(e) Filings and Recordation. Except for (i) the filing for recordation pursuant to the Transportation Code of the Indenture (with the Indenture Supplement covering the Aircraft attached), (ii) with respect to the security interests created by such documents, the filing of financing statements (and continuation statements at periodic intervals) under the Uniform Commercial Code of Delaware, and (iii) the registration on the International Registry of the International Interests (or Prospective International Interests) created under the Indenture (as supplemented by the Indenture Supplement covering the Aircraft), no further filing or recording of any document is necessary under the laws of the United States or any state thereof as of the Closing Date in order to establish and perfect the security interest in the Aircraft created under the Indenture in favor of Loan Trustee as against Company and any third parties in any applicable jurisdiction in the United States.

(f) Investment Company Act. Company is not required to be registered as an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

(g) Title. As of the Closing Date, (i) Company has good title to the Aircraft, free and clear of Liens other than Permitted Liens, (ii) the Aircraft has been duly certificated by the FAA as to type and airworthiness in accordance with the terms of the Indenture, (iii) the Indenture (with the Indenture Supplement covering the Aircraft attached) has been duly filed for recordation (or shall be in the process of being so duly filed for recordation) with the FAA pursuant to the Transportation Code, (iv) the Aircraft is duly registered with the FAA in the name of Company, and (v) the registration of the International Interests (or Prospective International Interests) created under the Indenture (as supplemented by the Indenture Supplement with respect to the Aircraft) shall have been effected (or shall be in the process of being so effected) on the International Registry in accordance with the Cape Town Treaty.

(h) Section 1110. Loan Trustee is entitled to the benefits of Section 1110 with respect to the Aircraft being subjected to the Lien of the Indenture on the Closing Date.

(i) Security Interest. The Indenture creates in favor of Loan Trustee, for the benefit of Noteholders, Indenture Indemnitees and Related Indenture Indemnitees, a valid and (subject to the filings and registrations referred to in Section 4.01(e)) perfected Lien on the Aircraft purported to be subjected to the Lien of the Indenture on the Closing Date, subject to no equal or prior Lien, except Permitted Liens.

(j) Licenses, Permits and Franchises. Company holds all licenses, permits and franchises from the appropriate government entities necessary to authorize Company lawfully to engage in air transportation as currently conducted, except where the failure to so hold any such license, permit or franchise would not have a material adverse effect on the financial condition or operations of Company and its consolidated subsidiaries, taken as a whole.

Section 4.02. General Indemnity. (a) Claims Defined. For the purposes of this Section 4.02, "Claims" means any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs or expenses of whatsoever kind and nature (whether or not on the basis of negligence, strict or absolute liability or liability in tort) that may be imposed on, incurred by, suffered by or asserted against an Indemnitee, as defined below, and, except as otherwise expressly provided in this Section 4.02, includes all reasonable out-of-pocket costs, disbursements and expenses (including reasonable out-of-pocket legal fees and expenses) actually incurred by an Indemnitee in connection therewith or related thereto.

(a) Indemnitee Defined. For the purposes of this Section 4.02, "Indemnitee" means (i) WTC and Loan Trustee, (ii) each separate or additional trustee appointed pursuant to Section 8.02 of the Indenture, (iii) so long as it holds any Equipment Notes as agent and trustee of any Pass Through Trustee, Subordination Agent (iv) so long as it is the holder of any Equipment Notes, each Pass Through Trustee, (v) the Liquidity Provider, (vi) any Related Noteholder, and (vii) each of their respective successors and permitted assigns in such capacities, agents, servants, officers, employees and directors (the respective agents, servants, officers, employees and directors of each of the foregoing Indemnitees, as applicable, together with such Indemnitee, collectively the "Related Indemnitee Group" of such Indemnitee); provided that such Persons, to the extent they are not signatories to this Agreement, have expressly agreed in writing to be bound by the terms of this Section 4.02 prior to, or concurrently with, the making of a Claim. If any Indemnitee fails to comply with any duty or obligation under this Section 4.02 with respect to any Claim, such Indemnitee shall not be entitled to any indemnity with respect to such Claim under this Section 4.02 to the extent such failure was prejudicial to Company. No holder of a Pass Through Certificate in its capacity as such holder shall be an Indemnitee.

(b) Claims Indemnified. Subject to the exclusions stated in Section 4.02(d), Company agrees to indemnify, protect, defend and hold harmless on an After-Tax Basis each Indemnitee against Claims resulting from or arising out of the sale, purchase, acceptance, non-acceptance or rejection of the Aircraft under the Purchase Agreement or the ownership, possession, use, non-use, substitution, airworthiness, control, maintenance, repair, operation, registration, re-registration, condition, sale, lease, sublease, storage, modification, alteration, return, transfer or other disposition of the Aircraft, the Airframe, any Engine or any Part (including, without limitation, latent or other defects, whether or not discoverable, and any claim for patent, trademark or copyright infringement) by Company, any Permitted Lessee or any other Person. Without limiting the foregoing and subject to, and without duplication of, the provisions of Section 6.01(a), Company agrees to pay the reasonable ongoing fees, and the reasonable out-of-pocket costs and expenses actually incurred (including, without limitation, reasonable attorney's fees and disbursements actually incurred and, to the extent payable as provided in the Indenture, reasonable compensation and expenses of Loan Trustee's agents actually incurred), of Loan Trustee in connection with the transactions contemplated hereby.

(c) Claims Excluded. The following are excluded from Company's agreement to indemnify an Indemnitee under this Section 4.02:

(i) any Claim to the extent such Claim is attributable to acts or events occurring after (A) the Lien of the Indenture has been discharged, or (B) the transfer of possession of the Aircraft pursuant to Article IV of the Indenture except to the extent that such Claim is attributable to acts occurring in connection with the exercise of remedies pursuant to Section 4.02 of the Indenture following the occurrence and continuance of an Event of Default;

(ii) any Claim to the extent such Claim is, or is attributable to, a Tax (or loss of any Tax benefit), except with respect to paying indemnity amounts on an After-Tax Basis;

(iii) any Claim to the extent such Claim is attributable to the negligence or willful misconduct of such Indemnitee or such Indemnitee's Related Indemnitee Group;

(iv) any Claim to the extent such Claim is attributable to the noncompliance by such Indemnitee or such Indemnitee's Related Indemnitee Group with any of the terms of, or any misrepresentation by an Indemnitee or its Related Indemnitee Group contained in, this Agreement, any other Operative Document or any Pass Through Document to which such Indemnitee or any of such Related Indemnitee Group is a party or any agreement relating hereto or thereto;

(v) any Claim to the extent such Claim constitutes a Lien attributable to such Indemnitee;

(vi) any Claim to the extent such Claim is attributable to the offer, sale, assignment, transfer, participation or other disposition (whether voluntary or involuntary) by or on behalf of such Indemnitee or its Related Indemnitee Group (other than during the occurrence and continuance of an Event of Default; provided that any such offer, sale, assignment, transfer, participation or other disposition during the occurrence and continuation of an Event of Default shall not be subject to indemnification unless it is made in accordance with the Indenture and applicable law) of any Equipment Note or interest therein or Pass Through Certificate, all or any part of such Indemnitee's interest in the Operative Documents or the Pass Through Documents, or any interest in the Collateral or any similar security;

(vii) any Claim to the extent such Claim is attributable to (A) a failure on the part of Loan Trustee to distribute in accordance with this Agreement or any other Operative Document any amounts received and distributable by it hereunder or thereunder, (B) a failure on the part of Subordination Agent to distribute in accordance with the Intercreditor Agreement any amounts received and distributable by it thereunder or (C) a failure on the part of any Pass Through Trustee to distribute in accordance with the Pass Through Trust Agreement to which it is a party any amounts received and distributable by it thereunder;

(viii) any Claim to the extent such Claim is attributable to the authorization or giving or withholding of any future amendments, supplements, waivers or consents with respect to any Operative Document or any Pass Through Document, other than such as have been requested by Company or that occur as the result of an Event of Default, or such as are expressly required or contemplated by the provisions of the Operative Documents or the Pass Through Documents;

(ix) any Claim to the extent such Claim is payable or borne by (A) Company pursuant to any indemnification, compensation or reimbursement provision of any other Operative Document or any Pass Through Document or (B) a Person other than Company pursuant to any provision of any Operative Document or any Pass Through Document;

(x) any Claim to the extent such Claim is an ordinary and usual operating or overhead expense or not an out-of-pocket expense actually incurred;

(xi) any Claim to the extent such Claim is incurred on account of or asserted as a result of (A) any "prohibited transaction" within the meaning of Section 406 of ERISA or Section 4975 of the Code or any foreign, federal, state or local law which is substantially similar to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code ("Similar Law") or (B) any breach of fiduciary duty under ERISA;

(xii) any Claim to the extent such Claim is attributable to one or more of the other aircraft financed through the offering of Pass Through Certificates (in the event of doubt, any Claim shall be allocated between the Aircraft and such other aircraft in the same proportion that the then outstanding Equipment Notes bear to the then outstanding equipment notes issued with respect to the other aircraft and held by Pass Through Trustees);

(xiii) any Claim to the extent such Claim is attributable to any amount which any Indemnitee expressly agrees shall not be paid by, borne by, or reimbursed by Company;

(xiv) any Claim by an Indemnitee related to the status of such Indemnitee as a shipper on any of Company's aircraft or as a party to a marketing or promotional or other commercial agreement with Company unrelated to the transactions contemplated by the Operative Documents; and

(xv) any Claim to the extent such Claim is attributable to the offer or sale by an Indemnitee (or any member of such Indemnitee's Related Indemnitee Group) of any interest in the Aircraft, 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 thereof caused by acts or omissions of Company or any of its affiliates).

(d) Insured Claims. In the case of any Claim indemnified by Company hereunder that is covered by a policy of insurance maintained by Company, each Indemnitee agrees to cooperate, at Company's expense, with the insurers in the exercise of their rights to investigate, defend and compromise such Claim.

(e) Claims Procedure. An Indemnitee shall promptly notify Company of any Claim as to which indemnification is sought. The failure to provide such prompt notice shall not release Company from any of its obligations to indemnify hereunder except to the extent that Company is prejudiced by such failure or Company's indemnification obligations are increased as a result of such failure (in which event Company shall not be responsible for such additional indemnification obligations). Such Indemnitee shall promptly submit to Company all additional information in such Indemnitee's possession to substantiate such Claim as Company reasonably requests. Subject to the rights of Company's insurers, Company may, at its sole cost and expense, investigate any Claim, and may in its sole discretion defend or compromise any Claim. At Company's expense, any Indemnitee shall cooperate with all reasonable requests of Company in connection therewith. Such Indemnitee shall not enter into a settlement or other compromise with respect to any Claim without the prior written consent of Company, which consent shall not be unreasonably withheld or delayed, unless such Indemnitee waives its right to be indemnified with respect to such Claim. Where Company or its insurers undertake the defense of an Indemnitee with respect to a Claim, no additional legal fees or expenses of such Indemnitee in connection with the defense of such Claim shall be indemnified hereunder unless such fees or expenses were incurred at the written request of Company or such insurers. Subject to the requirements of any policy of insurance, an Indemnitee may participate at its own expense in any judicial proceeding controlled by Company pursuant to the preceding provisions; provided that such party's participation does not, in the opinion of outside counsel appointed by Company or its insurers to conduct such proceedings, interfere with such control. Such participation shall not constitute a waiver of the indemnification provided in this Section 4.02. Notwithstanding anything to the contrary contained herein, Company shall not under any circumstances be liable for the fees and expenses of more than one counsel for all Indemnitees with respect to any one Claim. Notwithstanding anything to the contrary contained herein, an Indemnitee shall not under any circumstances be required or deemed to be required to contest any Claim or to assume responsibility for or control of any judicial proceeding with respect thereto. Company will provide the relevant Indemnitee with such information not within the control of such Indemnitee, as is in Company's control or is reasonably available to Company, which such Indemnitee may reasonably request and will otherwise cooperate with such Indemnitee so as to enable such Indemnitee to fulfill its obligations under this Section. If an Indemnitee is not a party to this Agreement, Company may require such Indemnitee to agree in writing to the terms of this Section 4.02 and Section 7.10 of this Agreement prior to making any payment to such Indemnitee under this Section 4.02.

(f) Subrogation. To the extent that a Claim is in fact paid in full by Company or its insurer, Company or such insurer (as the case may be) shall, without any further action, be subrogated to the rights and remedies of the Indemnitee on whose behalf such Claim was paid with respect to the transaction or event giving rise to such Claim. Such Indemnitee shall give such further assurances or agreements and shall cooperate with Company or such insurer, as the case may be, to permit Company or such insurer to pursue such rights and remedies, if any, to the extent reasonably requested by Company. So long as no Event of Default has occurred and is continuing, if an Indemnitee receives any payment, in whole or in part, from any party other than Company or its insurers with respect to any Claim paid by Company or its insurers, it shall promptly pay over to Company the amount received (but not an amount in excess of the amount Company or any of its insurers has paid in respect of such Claim). Any amount referred to in the preceding sentence that is payable to Company shall not be paid to Company, or, if it has been previously paid directly to Company, shall not be retained by Company, if at the time of such payment an Event of Default has occurred and is continuing, but shall be paid to and held by Loan Trustee as security for the obligations of Company under the Operative Documents. If Company agrees, such amount payable shall be applied against Company's obligations thereunder when and as they become due and payable. At such time as such Event of Default is no longer continuing, such amount, to the extent not previously so applied against Company's obligations, shall be paid to Company.

(g) No Guaranty. Nothing set forth in this Section 4.02 constitutes a guarantee by Company that the Aircraft at any time will have any particular value, useful life or residual value.

(h) Payments; Interest. Any amount payable to any Indemnitee on account of a Claim shall be paid within 30 days after receipt by Company of a written demand therefor from such Indemnitee accompanied by a written statement describing in reasonable detail the Claims that are the subject of and basis for such indemnity and the computation of the amount payable. Any payments made pursuant to this Section 4.02 directly to an Indemnitee or to Company, as the case may be, shall be made in immediately available funds at such bank or to such account as is specified by the payee in written directions to the payor or, if no such directions are given, by check of the payor payable to the order of the payee and mailed to the payee by certified mail, return receipt requested, postage prepaid to its address referred to in Section 7.01. To the extent permitted by applicable law, interest at the Past Due Rate shall be paid, on demand, on any amount or indemnity not paid when due pursuant to this Section 4.02 until the same is paid. Such interest shall be paid in the same manner as the unpaid amount in respect of which such interest is due.

(i) Tax Deduction or Credit. If, by reason of any payment made to or for the account of any Indemnitee by Company, or by reason of any Claim of any Indemnitee paid or indemnified against by Company, in each case pursuant to Section 4.02, such Indemnitee realizes a Tax deduction or credit not previously taken into account in computing such payment, such Indemnitee shall promptly pay to Company an amount equal to the sum of (i) the actual reduction in Taxes realized by such Indemnitee which is attributable to such deduction or credit, and (ii) the actual reduction in Taxes realized by such Indemnitee as a result of any payment made by such Indemnitee pursuant to this sentence; provided that the amount payable by such Indemnitee pursuant to this sentence shall not exceed the sum of all amounts previously paid by Company to such Indemnitee pursuant to this Section 4.02; provided, further, that any such excess shall be carried forward and applied to reduce *pro tanto* any subsequent obligations of Company to make payments to such Indemnitee pursuant to Section 4.02. If such Tax deduction or credit is subsequently disallowed or lost, upon written notice from the Indemnitee Company shall promptly repay all amounts paid to it pursuant to this Section 4.02(j) in respect of such disallowed or lost deduction or credit. If, at the time an amount would otherwise be payable to Company under this Section 4.02(j), any Event of Default shall have occurred and be continuing, such amount shall be held by the relevant Indemnitee as security for the obligations of Company under the Operative Documents. At such time as no Event of Default is continuing, such amount or portion thereof shall be applied to offset Company's outstanding obligations under the Operative Documents and any remaining amount after such application shall be paid to Company.

ARTICLE 5

REPRESENTATIONS, WARRANTIES AND COVENANTS OF WTC

Section 5.01. Representations, Warranties and Covenants of WTC. WTC, generally, and as each of Loan Trustee, Subordination Agent and Pass Through Trustee as it relates to it, represents, warrants and covenants that:

(a) Organization; Authority. WTC is a Delaware trust company duly organized and validly existing in good standing under the laws of the State of Delaware, holds a valid certificate to do business as a Delaware trust company, is eligible to be Loan Trustee under Section 8.01(a) of the Indenture, will promptly comply with Section 8.01(a) of the Indenture and has full power, authority and legal right to enter into and perform its obligations under each of the Operative Documents and the Pass Through Documents to which WTC, Loan Trustee, Subordination Agent or any Pass Through Trustee is a party and, in its capacity as Loan Trustee and Pass Through Trustee, respectively, to authenticate the Equipment Notes and the Pass Through Certificates, respectively. WTC is qualified to act as Loan Trustee under Section 8.01(c) of the Indenture. WTC is a Citizen of the United States (without the use of a voting trust agreement), and will resign as Loan Trustee under the Indenture promptly after it obtains actual knowledge that it has ceased to be such a Citizen of the United States.

(b) Due Authorization; No Violations. The execution, delivery and performance by WTC, individually or in its capacity as Loan Trustee, Subordination Agent or Pass Through Trustee, as the case may be, of this Agreement, each of the other Operative Documents and each of the Pass Through Documents to which WTC, Loan Trustee, Subordination Agent or any Pass Through Trustee is a party, the performance by WTC, individually or in its capacity as Loan Trustee, Subordination Agent or Pass Through Trustee, as the case may be, of its obligations thereunder and the consummation on the Closing Date or the Issuance Date, as the case may be, of the transactions contemplated thereby, and the authentication of the Equipment Notes and the Pass Through Certificates, respectively, to be delivered on the Closing Date or the Issuance Date, as the case may be: (i) have been duly authorized by all necessary action on the part of WTC, Loan Trustee, Subordination Agent and each Pass Through Trustee, as the case may be, (ii) do not violate any law or regulation of the United States or of the state of the United States in which WTC is located and which governs the trust powers of WTC or any order, writ, judgment or decree of any court, arbitrator or governmental authority applicable to WTC, Loan Trustee, Subordination Agent or any Pass Through Trustee or any of their assets, (iii) will not violate any provision of the charter or by-laws of WTC and (iv) will not violate any provision of, or constitute a default under, any mortgage, indenture, contract, agreement or undertaking to which any of WTC, Loan Trustee, Subordination Agent or any Pass Through Trustee is a party or by which any of them or their respective properties may be bound or affected.

(c) Approvals. Neither the execution and delivery by WTC, individually or in its capacity as Loan Trustee, Subordination Agent or Pass Through Trustee, as the case may be, of this Agreement, any other Operative Document or any Pass Through Document to which WTC, Loan Trustee, Subordination Agent or any Pass Through Trustee is a party, nor the consummation by WTC, Loan Trustee, Subordination Agent or any Pass Through Trustee of any of the transactions contemplated hereby or thereby, requires 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, (i) any governmental authority or agency of the United States or the state of the United States where WTC is located and regulating the trust powers of WTC or (ii) any trustee or other holder of any debt of WTC.

(d) Valid and Binding Agreements. This Agreement, each other Operative Document and each Pass Through Document to which WTC, Loan Trustee, Subordination Agent or any Pass Through Trustee is a party have been duly executed and delivered by WTC, individually and in its capacity as Loan Trustee, Subordination Agent or Pass Through Trustee, as the case may be, and constitute the legal, valid and binding obligations of WTC, Loan Trustee, Subordination Agent and such Pass Through Trustee, as the case may be, enforceable against it in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the rights of creditors generally and by general principles of equity.

(e) No Loan Trustee Liens or Other Party Liens. It unconditionally agrees with and for the benefit of the parties to this Agreement that it will not directly or indirectly create, incur, assume or suffer to exist any Loan Trustee Lien or Other Party Lien attributable to it, and it agrees that it will, at its own cost and expense, promptly take such action as may be necessary to discharge and satisfy in full any such Lien.

(f) Intercreditor Agreement. The Equipment Notes to be issued to Subordination Agent pursuant hereto are being acquired by it to be held under the Intercreditor Agreement.

(g) Funds Transfer Fees. Each of WTC, Loan Trustee, Subordination Agent and each Pass Through Trustee agrees that it will not impose any lifting charge, cable charge, remittance charge or any other charge or fee on any transfer by Company of funds to, through or by WTC, Loan Trustee, Subordination Agent or such Pass Through Trustee pursuant to this Agreement, any other Operative Document or any Pass Through Document, except as may be otherwise agreed to in writing by Company.

(h) Confidentiality. Each of WTC, Loan Trustee, Subordination Agent and each Pass Through Trustee agrees to be bound by the terms of Section 10.16 of the Indenture.

(i) Certain Tax Matters. There are no Taxes payable by (i) WTC, Loan Trustee, Subordination Agent or any Pass Through Trustee imposed by the State of Delaware or any political subdivision or taxing authority thereof, in connection with the execution, delivery or performance by WTC, Loan Trustee or Subordination Agent on the one hand, or WTC or any Pass Through Trustee, on the other, of any Operative Document or any Pass Through Document (other than franchise or other Taxes based on or measured by any fees or compensation received by any such Person for services rendered in connection with the transactions contemplated by the Operative Documents or the Pass Through Documents), and there are no Taxes payable by any Pass Through Trustee imposed by the State of Delaware or any political subdivision thereof in connection with the acquisition, possession or ownership by 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 such Pass Through Trustee for services rendered in connection with the transactions contemplated by the Operative Documents or the Pass Through Documents) and, assuming that the Pass Through Trusts will not be taxable for federal income tax purposes as corporations, but, rather, will be characterized for such purposes as grantor trusts or partnerships, the Pass Through Trusts will not be subject to any Taxes imposed by the State of Delaware or any political subdivision thereof.

(j) Limitation on Situs of Activities. Except with the consent of Company, which shall not be unreasonably withheld, WTC will act as Pass Through Trustee , Subordination Agent and Loan Trustee solely through its offices within the State of Delaware, except for such services as may be performed for it by independent agents in the ordinary course of business, but not directly by it, in other states.

(k) No Proceedings. There are no pending or, to its knowledge, threatened actions or proceedings against WTC, Loan Trustee, Subordination Agent or any Pass Through Trustee before any court or administrative agency which individually or in the aggregate, if determined adversely to it, would materially adversely affect the ability of WTC, Loan Trustee, Subordination Agent or any Pass Through Trustee to perform its obligations under any Operative Document or any Pass Through Document.

(l) Other Representations. The representations and warranties contained in Section 7.15 of the Basic Pass Through Trust Agreement and Section 7.04 of the Trust Supplement are true, complete and correct as of the Closing Date.

ARTICLE 6

OTHER COVENANTS AND AGREEMENTS

Section 6.01. Other Agreements. (a) Fees and Expenses. Company agrees promptly to pay (without duplication of any other obligation Company may have to pay such amounts) (1) the initial and annual fees and (to the extent Loan Trustee is entitled to be reimbursed for its reasonable expenses) the reasonable expenses of Loan Trustee in connection with the transactions contemplated hereby and (2) the following expenses incurred by Loan Trustee, Subordination Agent and Pass Through Trustees in connection with the negotiation, preparation, execution and delivery of this Agreement, the other Operative Documents and the other documents or instruments referred to herein or therein:

(i) the reasonable fees, expenses and disbursements of (A) Morris James LLP, special counsel for Loan Trustee, Subordination Agent and Pass Through Trustees, (B) Richards, Layton & Finger, P.A., special Delaware counsel for the Company, and (C) Crowe & Dunlevy, a Professional Corporation, special FAA counsel in Oklahoma City, Oklahoma, in each case to the extent actually incurred; and

(ii) all reasonable expenses actually incurred in connection with printing and document production or reproduction expenses, and in connection with the filing of Uniform Commercial Code financing statements.

(b) Continuing Registration and Re-Registration. Loan Trustee, Noteholders, Subordination Agent and each Pass Through Trustee agree to execute and deliver, at Company's expense, all such documents and consents as Company reasonably requests for the purpose of continuing the registration of the Aircraft at the FAA in Company's name or for the purpose of registering or maintaining any registration on the International Registry in respect of the Aircraft. In addition, each of Loan Trustee, Subordination Agent, each Pass Through Trustee and any other Noteholder agrees, for the benefit of Company, to cooperate with Company in effecting any foreign registration of the Aircraft pursuant to Section 7.02(e) of the Indenture; provided that prior to any such change in the country of registry of the Aircraft the conditions set forth in Section 7.02(e) of the Indenture are met to the reasonable satisfaction of, or waived by, Loan Trustee.

(c) Quiet Enjoyment. Each of WTC, Loan Trustee, Subordination Agent, each Pass Through Trustee, any other Noteholder, Class AA Liquidity Provider (by having entered into the Class AA Liquidity Facility) agrees that, unless an Event of Default shall have occurred and be continuing, it shall not (and shall not permit any Affiliate or other Person claiming by, through or under it to) take any action contrary to, or otherwise in any way interfere with or disturb (and then only in accordance with the Indenture), the quiet enjoyment of the use and possession of the Aircraft, the Airframe, any Engine or any Part by Company or any transferee of any interest in any thereof permitted under the Indenture.

(d) No Noteholder Liens. Each Noteholder, including, without limitation, Subordination Agent and each Pass Through Trustee, unconditionally agrees with and for the benefit of the parties to this Agreement that it will not directly or indirectly create, incur, assume or suffer to exist any Noteholder Liens, and such Noteholder agrees that it will, at its own cost and expense, promptly take such action as may be necessary to discharge and satisfy in full any such Noteholder Lien; and each Noteholder hereby agrees to indemnify, protect, defend and hold harmless each Indemnitee and Company against claims in any way resulting from or arising out of a breach by it of its obligations under this Section 6.01(d).

(e) Agreement to be Bound; Transfer. By its acceptance of its Equipment Notes, each Noteholder unconditionally agrees for the benefit of Company and Loan Trustee: (i) to be bound by and to perform and comply with all of the terms of such Equipment Notes, the Indenture and this Agreement applicable to such Noteholder and (ii) that it will not transfer any Equipment Note (or any part thereof) to any entity unless such transfer complies with and does not violate the Transportation Code, the Securities Act (or require registration under such Act) or any other law (including, without limitation, ERISA, the Code and Similar Law), and does not create a relationship that would be in violation thereof, or result in a "prohibited transaction" under Section 406 of ERISA, Section 4975 of the Code or Similar Law or require qualification of an indenture under the Trust Indenture Act.

(f) Tax Returns. Each Pass Through Trustee shall file any Tax returns required to be filed by the related Pass Through Trust and the Company shall pay the Applicable Portion of any expenses relating to the preparation thereof. For purposes of this Section 6.01(f), the "Applicable Portion" of any amount shall equal such amount multiplied by a fraction, the numerator of which shall be the sum of the then outstanding aggregate principal amount of the Equipment Notes held by the relevant Pass Through Trustee, and the denominator of which shall be the sum of the outstanding aggregate principal amount of all "Equipment Notes" issued under each of the "Indentures" (in each case as defined in the Intercreditor Agreement) held by such Pass Through Trustee.

(g) No Petition. Each of Company, Loan Trustee, each Pass Through Trustee, Subordination Agent and any other Noteholder covenants that until one year and one day after the Series AA Equipment Notes have been paid in full, it shall not acquiesce, petition or otherwise invoke or cause or join in invoking or causing the Class AA Pass Through Trust or any other Person to invoke the process of any governmental authority for the purpose of commencing or sustaining a case (whether voluntary or not) against the Class AA Pass Through Trust under any bankruptcy, insolvency or similar law or appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official of the Class AA Pass Through Trust or any substantial part of its property or ordering the winding-up or liquidation of the affairs of the Class AA Pass Through Trust, and (ii) if any Additional Series Equipment Notes of any Series shall have been issued, until one year and one day after such Additional Series Equipment Notes have been paid in full, it shall not acquiesce, petition or otherwise invoke or cause or join in invoking or causing the related Additional Series Pass Through Trust or any other Person to invoke the process of any governmental authority for the purpose of commencing or sustaining a case (whether voluntary or not) against such Additional Series Pass Through Trust under any bankruptcy, insolvency or similar law or appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official of such Additional Series Pass Through Trust or any substantial part of its property or ordering the winding-up or liquidation of the affairs of such Additional Series Pass Through Trust.

Section 6.02. Certain Covenants of Company. Company covenants and agrees with Loan Trustee as follows:

(a) Further Assurances. On and after the Closing, Company will cause to be done, executed, acknowledged and delivered such further acts, conveyances and assurances as Loan Trustee reasonably requests for accomplishing the purposes of this Agreement and the other Operative Documents; provided that any instrument or other document so executed by Company will not expand any obligations or limit any rights of Company in respect of the transactions contemplated by the Operative Documents.

(b) Filing and Recordation of the Indenture; Registration of International Interests. Company, at its expense, will cause the Indenture (with the Indenture Supplement covering the Aircraft attached) to be promptly filed and recorded, or filed for recording, with the FAA to the extent permitted under the Transportation Code and the rules and regulations of the FAA thereunder. In addition, on or prior to the Closing Date, Company will cause the registration of the International Interests (or Prospective International Interests) created under the Indenture (as supplemented by the Indenture Supplement with respect to the Aircraft) to be effected (or shall be in the process of being so effected) on the International Registry in accordance with the Cape Town Treaty, and shall, as and to the extent applicable, consent to such registration upon the issuance of a request for such consent by the International Registry.

(c) Maintenance of Filings. The Company, at its expense, will take, or cause to be taken, such action with respect to the recording, filing, re-recording and refiling of the Indenture and any financing statements or other instruments as are necessary to maintain, so long as the Indenture is in effect, the perfection of the security interests created by the Indenture or will furnish Loan Trustee timely notice of the necessity of such action, together with such instruments, in execution form, and such other information as may be required to enable Loan Trustee to take such action. In addition, Company will pay any and all recording, stamp and other similar Taxes payable in the United States, and in any other jurisdiction where the Aircraft is registered, in connection with the execution, delivery, recording, filing, re-recording and refiling of the Indenture or any such financing statements or other instruments. Company will notify Loan Trustee of any change in its jurisdiction of organization (as such term is used in Article 9 of the Uniform Commercial Code as in effect in the State of Delaware) promptly after making such change or in any event within the period of time necessary under applicable law to prevent the lapse of perfection (absent refiling) of financing statements filed under the Operative Documents.

(d) Maintenance of Corporate Existence. Company shall at all times maintain its corporate existence except as permitted by Section 6.02(e).

(e) Merger; Consolidation; Transfer of Substantially All Assets. Company shall not consolidate with or merge into any other Person or convey, transfer or lease substantially all of its assets as an entirety to any Person, unless:

(i) the successor or transferee entity shall, if and to the extent required under Section 1110 in order that Loan Trustee continues to be entitled to any benefits of Section 1110 with respect to the Aircraft, be a Citizen of the United States and a Certificated Air Carrier and shall execute and deliver to Loan Trustee an agreement containing the express assumption by such successor or transferee entity of the due and punctual performance and observance of each covenant and condition of the Operative Documents to which Company is a party to be performed or observed by Company;

(ii) if the Aircraft is, at the time, registered with the FAA or such Person is located in a "Contracting State" (as such term is used in the Cape Town Treaty), such Person makes such filings and recordings with the FAA pursuant to the Transportation Code and registration under the Cape Town Treaty, or if the Aircraft is, at the time, not registered with the FAA, such Person makes such filings and recordings with the applicable aviation authority, as are necessary to evidence such consolidation, merger, conveyance, transfer or lease;

(iii) immediately after giving effect to such transaction, no Event of Default shall have occurred and be continuing; and

(iv) Company shall deliver to Loan Trustee and the Liquidity Provider a certificate signed by a Responsible Officer of Company stating that such consolidation, merger, conveyance, transfer or lease and the assumption agreement mentioned in clause (i) above comply with this Section 6.02(e) and that all conditions precedent herein relating to such transaction have been complied with.

Upon any consolidation or merger, or any conveyance, transfer or lease of substantially all of the assets of Company as an entirety in accordance with this Section 6.02(e), the successor Person formed by such consolidation or into which Company is merged or to which such conveyance, transfer or lease is made shall succeed to, and be substituted for, and may exercise every right and power of, Company under this Agreement and the other Operative Documents with the same effect as if such successor Person had been named as Company herein.

(f) Section 1110. Company shall remain a Certificated Air Carrier for as long as and to the extent required under Section 1110 in order that Loan Trustee shall be entitled to any of the benefits of Section 1110 with respect to the Aircraft.

(g) Additional Information. Promptly after the occurrence of a Triggering Event or an Indenture Event of Default resulting from the failure of Company to make payments on any Equipment Note and on every Regular Distribution Date while the Triggering Event or such Indenture Event of Default shall be continuing, Company will, at the Subordination Agent's request from time to time but in any event no more frequently than once every three months, provide to the Subordination Agent a statement setting forth the following information with respect to the Aircraft if then subject to the lien of the Indenture: (A) whether the Aircraft is currently in service or parked in storage, (B) the maintenance status of the Aircraft, and (C) the location of the Engines. As used in this Section 6.02(g), the terms "Triggering Event", "Indenture Event of Default" and "Regular Distribution Date" shall have the respective meanings set forth in the Intercreditor Agreement.

ARTICLE 7

MISCELLANEOUS

Section 7.01. Notices. Unless otherwise expressly specified or permitted by the terms hereof, all notices required or permitted under the terms and provisions of this Agreement shall be in English and in writing, and any such notice may be given by United States mail, courier service or facsimile, and any such notice shall be effective when delivered (or, if mailed, three Business Days after deposit, postage prepaid, in the first class United States mail, and if delivered by facsimile, upon completion of transmission and confirmation by the sender (by a telephone call to a representative of the recipient or by machine confirmation) that such transmission was received) addressed as follows:

if to Company, addressed to:

Federal Express Corporation
3610 Hacks Cross Road
Memphis, TN 38125
Attn: General Counsel

with a copy to:

FedEx Corporation
942 S. Shady Grove Road
Memphis, TN 38120
Attn: Treasurer

with a separate FedEx Corporation copy to: Corporate Vice President, Securities & Corporate Law

if to WTC, Pass Through Trustee, Loan Trustee, Subordination Agent or Pass Through Agent, addressed to:

Wilmington Trust Company
1100 North Market Square
Wilmington, DE 19890-1605
Attention: Global Capital Market Services
Ref: FedEx 2020-1AA EETC
Telephone: [ ]
Telecopy: [ ]

or if to any subsequent Noteholder, addressed to such Noteholder at its address set forth in the Equipment Note Register maintained pursuant to Section 2.07 of the Indenture.

Any party, by notice to the other parties hereto, may designate different addresses for subsequent notices or communications. Whenever the words "notice" or "notify" or similar words are used herein, they mean the provision of formal notice as set forth in this Section 7.01.

Section 7.02. Survival of Representations, Warranties, Indemnities, Covenants and Agreements. The indemnities set forth in Section 4.02 of this Agreement and the confidentiality obligations set forth in Section 5.01(h) of this Agreement shall survive the making of the loans, the transfer of any interest by any Noteholder of its Equipment Note and the expiration or termination of any Operative Documents (in the case of the indemnities, to the extent arising out of acts or events occurring prior to such expiration or termination).

Section 7.03. Governing Law. THIS AGREEMENT HAS BEEN DELIVERED IN THE STATE OF NEW YORK AND SHALL 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 7.04. Severability. To the extent permitted by applicable law, 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 7.05. No Oral Modifications or Continuing Waivers; Consents. Subject to Section 9.03 of the Indenture, 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 against which the enforcement of the change, waiver, discharge or termination is sought. No such change, waiver, discharge or termination shall be effective unless a signed copy thereof is delivered to Loan Trustee.

Section 7.06. Effect of Headings and Table of Contents. The headings of the various Articles and Sections herein and in the Table of Contents are for convenience of reference only and do not define or limit any of the terms or provisions hereof.

Section 7.07. Successors and Assigns. All covenants, agreements, representations and warranties in this Agreement by Company, by WTC, individually or as Loan Trustee, Subordination Agent or Pass Through Trustee, or by any Noteholder, shall bind and inure to the benefit of and be enforceable by Company, and subject to the terms of Section 6.02(e), its successors and permitted assigns, each Pass Through Trustee and any successor or other trustee under the Pass Through Trust Agreement to which it is a party, Subordination Agent and its successor under the Intercreditor Agreement and Loan Trustee and its successor under the Indenture, whether so expressed or not.

Section 7.08. Benefits of Agreement. Subject to the next sentence, nothing in this Agreement, express or implied, gives to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy or claim under this Agreement, except as expressly provided herein. Company agrees and acknowledges that the Liquidity Provider, and each separate or additional trustee appointed pursuant to Section 8.02 of the Indenture shall be third party beneficiaries of the covenants and agreements of Company with respect to the indemnities contained in Section 4.02 and may rely on the covenants and agreements of Company with respect to such indemnities to the same extent as if the covenants and agreements of Company with respect to such indemnities were made to the Liquidity Provider or such trustee, as the case may be, directly. WTC generally, and each of the Loan Trustee, the Subordination Agent and each Pass Through Trustee, insofar as relating to each such Person, agrees and acknowledges that the Liquidity Provider is a third party beneficiary of the representations and warranties set forth in Section 5.01, and that the Liquidity Provider may rely on such representations and warranties to the same extent as if such representations and warranties were made to the Liquidity Provider directly.

Section 7.09. Counterparts. This Agreement may be executed in any number of counterparts. Each of the parties hereto shall not be required to execute the same counterpart. Each counterpart of this Agreement including a signature page or pages executed by each of the parties hereto shall be an original counterpart of this Agreement, but all of such counterparts shall together constitute one instrument.

Section 7.10. Submission to Jurisdiction. Each of the parties hereto, to the extent it may do so under applicable law, for purposes hereof and of all other Operative Documents hereby (a) irrevocably submits itself to the non-exclusive jurisdiction of the courts of the State of New York sitting in the City of New York and to the non-exclusive jurisdiction of the United States District Court for the Southern District of New York, for the purposes of any suit, action or other proceeding arising out of this Agreement, the subject matter hereof or any of the transactions contemplated hereby brought by any party or parties hereto or thereto, or their successors or permitted assigns and (b) waives, and agrees not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, 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 this Agreement or the subject matter hereof or any of the transactions contemplated hereby may not be enforced in or by such courts.

Section 7.11. 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, including, without limitation, making or consenting to registrations (or discharges thereof, as appropriate) with respect to the Indenture on the International Registry and appointing Crowe & Dunlevy, a Professional Corporation (or another qualified FAA counsel), as its "professional user entity" (as defined in the Cape Town Treaty) to make or consent to any registrations (or discharges thereof, as appropriate) on the International Registry with respect to the Airframe or any Engine, in any case, as any other party hereto shall reasonably request in connection with the administration of, or to carry out more effectively the purposes of, or to better assure and confirm into such other party the rights and benefits to be provided under this Agreement, the other Operative Documents and the Pass Through Documents.

Section 7.12. Section 1110. It is the intention of each of Company, Noteholders (such intention being evidenced by each of their acceptance of an Equipment Note), Loan Trustee and other parties hereto that the security interest created by the Indenture, to the fullest extent available under applicable law, entitles the Loan Trustee, on behalf of the Noteholders, to all of the benefits of Section 1110 with respect to the Aircraft, Airframe, Engines and Parts.

IN WITNESS WHEREOF, the parties hereto have caused this Participation Agreement to be duly executed by their respective officers thereunto duly authorized as of the date first above written.

FEDERAL EXPRESS CORPORATION

By: /s/ Herbert C. Nappier
Name: Herbert C. Nappier
Title: Treasurer

WILMINGTON TRUST COMPANY, as Pass Through Trustee under the Pass Through Trust Agreement

By: /s/ Chad May
Name: Chad May
Title: Vice President

WILMINGTON TRUST COMPANY, as Subordination Agent

By: /s/ Chad May
Name: Chad May
Title: Vice President

WILMINGTON TRUST COMPANY, as Loan Trustee

By: /s/ Chad May
Name: Chad May
Title: Vice President

WILMINGTON TRUST COMPANY, in its individual capacity as set forth herein

By: /s/ Chad May
Name: Chad May
Title: Vice President

SCHEDULE I to
PARTICIPATION AGREEMENT

EQUIPMENT NOTES,
PURCHASERS AND ORIGINAL PRINCIPAL AMOUNTS

Purchaser	Description of Equipment Notes	Maturity	Interest Rate	Original Principal Amount
FedEx Pass Through Trust 2020-1AA	Series 2020-1AA-N869FD Equipment Note	February 20, 2034	1.875%	$ 70,607,000.00

SCHEDULE II to
PARTICIPATION AGREEMENT

TRUST SUPPLEMENT

Trust Supplement No. 2020-1AA, dated as of the Issuance Date, between Company and Pass Through Trustee in respect of Federal Express Corporation Pass Through Trust 2020-1AA.

EXHIBIT A-1 to
PARTICIPATION AGREEMENT

FORM OF OPINION OF
COUNSEL FOR FEDEX CORPORATION

[Attached.]

EXHIBIT A-2 to
PARTICIPATION AGREEMENT

FORM OF OPINION OF
SPECIAL COUNSEL FOR COMPANY

[Attached.]

EXHIBIT B to
PARTICIPATION AGREEMENT

FORM OF OPINION OF
SPECIAL COUNSEL FOR LOAN TRUSTEE, PASS THROUGH TRUSTEES,
SUBORDINATION AGENT AND WTC

[Attached.]

EXHIBIT C to
PARTICIPATION AGREEMENT

FORM OF OPINION OF
SPECIAL FAA COUNSEL

[Attached.]

EXHIBIT D to
PARTICIPATION AGREEMENT

FORM OF MANUFACTURER'S CONSENT

[Attached.]

EXHIBIT E to
PARTICIPATION AGREEMENT

FORM OF OPINION OF SPECIAL DELAWARE UCC COUNSEL FOR COMPANY

[Attached.]

DEFINITIONS
(N869FD)

"Additional Series" or "Additional Series Equipment Notes" means Equipment Notes issued under the Indenture and designated as a Series (other than "Series AA") thereunder in the principal amounts and maturities and bearing interest as specified in Schedule I to the Indenture amended at the time of original issuance of such Additional Series under the heading for such Series.

"Additional Series Pass Through Trust" means a grantor trust created to facilitate the issuance and sale of pass through certificates in connection with the issuance of any Additional Series Equipment Notes.

"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" (including "controlled by" and "under common control with") shall mean 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. In no event shall WTC be deemed to be an Affiliate of Loan Trustee or vice versa.

"After-Tax Basis" means that indemnity and compensation payments required to be made on such basis will be supplemented by the Person paying the base amount by that amount which, when added to such base amount, and after deduction of all federal, state, local and foreign Taxes required to be paid by or on behalf of the payee with respect of the receipt or realization of the base amount and any such supplemental amounts, and after consideration of any current tax savings of such payee resulting by way of any deduction, credit or other tax benefit actually and currently realized that is attributable to such base amount or Tax, shall net such payee the full amount of such base amount.

"Agreement" and "Participation Agreement" mean that certain Participation Agreement (N869FD), dated on or before the Closing Date, among Company, WTC, Pass Through Trustee under the Pass Through Trust Agreement, Subordination Agent and Loan Trustee, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Aircraft" means the Airframe (or any Substitute Airframe or Replacement Airframe substituted therefor pursuant to Section 7.04 or Section 7.05, respectively, of the Indenture) together with the two Engines described in the Indenture Supplement originally executed and delivered under the Indenture (or any Replacement Engine that may from time to time be substituted for any of such Engines pursuant to Section 7.04 or Section 7.05 of the Indenture), whether or not any of such initial or substituted Engines is from time to time installed on such Airframe or installed on any other airframe or on any other aircraft. The term "Aircraft" includes any Replacement Aircraft.

"Airframe" means (a) the Boeing 777FS2 (generic manufacturer and model Boeing 777F) aircraft (except (i) the Engines or engines from time to time installed thereon and any and all Parts related to such Engine or engines and (ii) Excluded Equipment) specified on Annex A to the Indenture Supplement originally executed and delivered under the Indenture and (b) any and all related Parts. The term "Airframe" includes any Substitute Airframe or Replacement Airframe that is substituted for the Airframe pursuant to Section 7.04 or Section 7.05, respectively, of the Indenture. At such time as any Substitute Airframe or Replacement Airframe is so substituted and the Airframe for which such substitution is made is released from the Lien of the Indenture, such replaced Airframe shall cease to be an Airframe under the Indenture.

"Bankruptcy Code" means the United States Bankruptcy Code, 11 United States Code §§101 et seq., as amended from time to time, or any successor statutes thereto.

"Basic Pass Through Trust Agreement" means that certain Pass Through Trust Agreement, dated as of August 13, 2020, between Company and WTC, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms (but does not include any Trust Supplement).

"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 New York, New York, Memphis, Tennessee or, if different from the foregoing, the city and state in which Loan Trustee, any Pass Through Trustee or Subordination Agent maintains its Corporate Trust Office or receives and disburses funds.

"Cape Town Treaty" means, collectively, the official English language text of (a) the Convention on International Interests in Mobile Equipment, and (b) the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment, in each case adopted on November 16, 2001, at a diplomatic conference in Cape Town, South Africa, and from and after the effective date of the Cape Town Treaty in the relevant country, means when referring to the Cape Town Treaty with respect to that country, the Cape Town Treaty as in effect in such country, unless otherwise indicated, and (c) all rules and regulations adopted pursuant thereto and, in the case of each of the foregoing described in clauses (a) through (c), all amendments, supplements, and revisions thereto.

"Certificated Air Carrier" means a Citizen of the United States holding an air carrier operating certificate issued by the Secretary of Transportation pursuant to Chapter 447 of Title 49 of the United States Code for aircraft capable of carrying ten or more individuals or 6,000 pounds or more of cargo or that otherwise is certified or registered to the extent required to fall within the purview of Section 1110.

"Citizen of the United States" has the meaning specified for such term in Section 40102(a)(15) of Title 49 of the United States Code or any similar legislation of the United States enacted in substitution or replacement therefor.

"Claim" has the meaning specified in Section 4.02(a) of the Participation Agreement.

"Class AA Liquidity Facility" has the meaning set forth in the Intercreditor Agreement.

"Class AA Liquidity Provider" has the meaning set forth in the Intercreditor Agreement.

"Class AA Pass Through Trust" means the FedEx Pass Through Trust 2020-1AA created pursuant to the Basic Pass Through Trust Agreement, as supplemented by Trust Supplement No. 2020-1AA, dated as of the Issuance Date, between Company and Wilmington Trust Company, as Class AA Trustee.

"Class AA Trustee" means the trustee for the Class AA Pass Through Trust.

"Closing" has the meaning specified in Section 2.03 of the Participation Agreement.

"Closing Date" means the Issuance Date.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Collateral" has the meaning specified in the granting clause of the Indenture.

"Company" means Federal Express Corporation, and its successors and permitted assigns.

"Compulsory Acquisition" means requisition of title or other compulsory acquisition, capture, seizure, deprivation, confiscation or detention for any reason of the Aircraft, the Airframe or any Engine by any government that results in the loss of title or use of the Aircraft, the Airframe or any Engine by Company (or any Permitted Lessee) for a period in excess of 180 consecutive days, but shall exclude requisition for use or hire not involving requisition of title.

"Corporate Trust Office" has the meaning specified in Section 1.01 of the Intercreditor Agreement.

"Debt Rate" means (i) with respect to any Series of Equipment Notes, the rate per annum specified for the applicable Series as such in Schedule I to the Indenture (as amended, in the case of any Series of Additional Series Equipment Notes, or new Additional Series Equipment Notes of any Series issued pursuant to Section 2.02 of the Indenture, at the time of issuance of such Series), 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 in each case any interest payable at the Past Due Rate.

"Department of Transportation" means the United States Department of Transportation and any agency or instrumentality of the United States government succeeding to its functions.

"Direction" has the meaning specified in Section 2.16 of the Indenture.

"Dollars" and "$" mean the lawful currency of the United States.

"Engine" means (a) each of the two GE90-110B1 engines (generic manufacturer and model GE90-110) listed by manufacturer's serial number and further described on Annex A to the Indenture Supplement originally executed and delivered under the Indenture, whether or not from time to time installed on the Airframe or installed on any other airframe or on any other aircraft and (b) any Replacement Engine substituted for an Engine pursuant to Section 7.04 or 7.05 of the Indenture; together in each case with any and all related Parts but excluding Excluded Equipment. At such time as a Replacement Engine is so substituted and the Engine for which substitution is made is released from the Lien of the Indenture, such replaced Engine shall cease to be an Engine under the Indenture.

"Equipment Note" means and includes any equipment notes issued under the Indenture in the form specified in Section 2.01 thereof (as such form may be varied pursuant to the terms of the Indenture) and any Equipment Note issued in exchange therefor or replacement thereof pursuant to Section 2.07 or 2.08 of the Indenture.

"Equipment Note Register" has the meaning specified in Section 2.07 of the Indenture.

"Equipment Note Registrar" has the meaning specified in Section 2.07 of the Indenture.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder. Section references to ERISA are to ERISA as in effect at the date of the Participation Agreement and any subsequent provisions of ERISA amendatory thereof, supplemental thereto or substituted therefor.

"Event of Default" has the meaning specified in Section 4.01 of the Indenture.

"Event of Loss" means, with respect to the Aircraft, Airframe or any Engine, any of the following events with respect to such property:

(a) the loss of such property or of the use thereof due to destruction, damage beyond repair or rendition of such property permanently unfit for normal use for any reason whatsoever;

(b) any damage to such property which results in an insurance settlement with respect to such property on the basis of a total loss, a compromised total loss or a constructive total loss;

(c) the theft, hijacking or disappearance of such property for a period in excess of 180 consecutive days;

(d) the requisition for use or hire of such property by any government (other than a requisition for use or hire by a Government or the government of the country of registry of the Aircraft) that results in the loss of possession of such property by Company (or any Permitted Lessee) for a period in excess of 12 consecutive months;

(e) the operation or location of the Aircraft, while under requisition for use by any government, in any area excluded from coverage by any insurance policy in effect with respect to the Aircraft required by the terms of Section 7.06 of the Indenture, unless Company shall have obtained indemnity or insurance in lieu thereof from such government;

(f) any Compulsory Acquisition;

(g) as a result of any law, rule, regulation, order or other action by the FAA or other government of the country of registry, the use of the Aircraft or Airframe in the normal business of air transportation is prohibited by virtue of a condition affecting all aircraft of the same type for a period of 18 consecutive months, unless Company is diligently carrying forward all steps that are necessary or desirable to permit the normal use of the Aircraft or Airframe or, in any event, if such use is prohibited for a period of three consecutive years; and

(h) with respect to an Engine only, any divestiture of title to or interest in an Engine or any event with respect to an Engine that is deemed to be an Event of Loss with respect to such Engine pursuant to Section 7.02(a)(vii) of the Indenture.

An Event of Loss with respect to the Aircraft shall be deemed to have occurred if an Event of Loss occurs with respect to the Airframe unless Company elects to substitute a Replacement Airframe pursuant to Section 7.05(a)(i) of the Indenture.

"Excluded Equipment" means (i) defibrillators, enhanced emergency medical kits and other medical equipment, (ii) any items, equipment or systems leased by Company or any Permitted Lessee (other than items, equipment, or systems that are leased from Company pursuant to the applicable Lease) or owned by Company or any Permitted Lessee subject to a conditional sales agreement or a security interest (other than the security interest granted under the Indenture) and (iii) cargo containers.

"FAA" means the United States Federal Aviation Administration and any agency or instrumentality of the United States government succeeding to its functions.

"FAA Bill of Sale" means the bill of sale for the Aircraft on AC Form 8050-2 (or such other form as may be approved by the FAA) executed by Manufacturer or an affiliate of Manufacturer in favor of Company and recorded with the FAA.

"Government" means the government of any of Canada, France, Germany, Japan, The Netherlands, Sweden, Switzerland, the United Kingdom or the United States and any instrumentality or agency thereof.

"Guarantee" means the guarantee dated as of the date hereof, provided by FedEx Corporation, a Delaware corporation, and its successors and assigns, as the same may be amended, supplemented or otherwise modified from time to time.

"Guarantor" means the Guarantor (as defined in the Guarantee).

"Indemnitee" has the meaning specified in Section 4.02(b) of the Participation Agreement.

"Indenture" means that certain Indenture and Security Agreement (N869FD), dated as of the Closing Date, between Company and Loan Trustee, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms, including supplementation by an Indenture Supplement pursuant to the Indenture.

"Indenture Indemnitee" means (i) Loan Trustee, (ii) WTC, (iii) each separate or successor or additional trustee appointed pursuant to Section 8.02 of the Indenture, (iv) so long as it holds any Equipment Notes as agent and trustee of any Pass Through Trustee, Subordination Agent, (v) the Liquidity Provider, (vi) so long as it is the holder of any Equipment Notes, each Pass Through Trustee, and (vii) any of their respective successors and permitted assigns in such capacities, directors, officers, employees, agents and servants. No holder of a Pass Through Certificate in its capacity as such shall be an Indenture Indemnitee.

"Indenture Supplement" means a supplement to the Indenture, substantially in the form of Exhibit A to the Indenture, which particularly describes the Aircraft, and any Substitute Airframe, Replacement Airframe and/or Replacement Engine, included in the property subject to the Lien of the Indenture.

"Intercreditor Agreement" means that certain Intercreditor Agreement, dated as of the Issuance Date, among the Class AA Pass Through Trustee, the Liquidity Provider and Subordination Agent, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms; provided that, for purposes of any obligations of Company, no amendment, modification or supplement to, or substitution or replacement of, such Intercreditor Agreement shall be effective unless consented to by Company.

"Interests" has the meaning specified in Section 7.06(a) of the Indenture.

"International Interest" has the meaning ascribed to the defined term "international interest" under the Cape Town Treaty.

"International Registry" means the international registry established pursuant to the Cape Town Treaty.

"Issuance Date" means August 13, 2020.

"Lease" means any lease permitted by the terms of Section 7.02(a) of the Indenture.

"Lien" means any mortgage, pledge, lien, encumbrance, lease, sublease, sub-sublease or security interest.

"Liquidity Facility" means, collectively, the Class AA Liquidity Facility.

"Liquidity Provider" means, collectively, Class AA Liquidity Provider.

"Loan Trustee" has the meaning specified in the introductory paragraph of the Indenture.

"Loan Trustee Liens" means any Lien attributable to WTC or Loan Trustee with respect to the Aircraft, any interest therein or any other portion of the Collateral arising as a result of (i) claims against WTC or Loan Trustee not related to its interest in the Aircraft or the administration of the Collateral pursuant to the Indenture, (ii) acts of WTC or Loan Trustee not permitted by, or the failure of WTC or Loan Trustee to take any action required by, the Operative Documents or the Pass Through Documents, (iii) claims against WTC or Loan Trustee relating to Taxes or Claims that are excluded from the indemnification provided by Section 4.02 of the Participation Agreement pursuant to said Section 4.02 or (iv) claims against WTC or Loan Trustee arising out of the transfer by any such party of all or any portion of its interest in the Aircraft, the Collateral, the Operative Documents or the Pass Through Documents, except while an Event of Default is continuing and prior to the time that Loan Trustee has received all amounts due to it pursuant to the Indenture.

"Make-Whole Amount" means, with respect to any Equipment Note, the amount (as determined by an independent investment banker selected by Company (and, following the occurrence and during the continuance of an Event of Default, reasonably acceptable to Loan Trustee)), if any, by which (i) the present value of the remaining scheduled payments of principal and interest from the redemption date to maturity of such Equipment Note computed by discounting each such payment on a semiannual basis from its respective Payment Date (assuming a 360-day year of twelve 30 day months) using a discount rate equal to the Treasury Yield plus the Make-Whole Spread exceeds (ii) the outstanding principal amount of such Equipment Note plus accrued but unpaid interest thereon to the date of redemption. For purposes of determining the Make-Whole Amount, "Treasury Yield" means, at the date of determination, the interest rate (expressed as a semiannual equivalent and as a decimal rounded to the number of decimal places as appears in the Debt Rate of such Equipment Note and, in the case of United States Treasury bills, converted to a bond equivalent yield) determined to be the per annum rate equal to the semiannual yield to maturity for United States Treasury securities maturing on the Average Life Date and trading in the public securities market either as determined by interpolation between the most recent weekly average constant maturity, non- inflation-indexed series yield to maturity for two series of United States Treasury securities, trading in the public securities markets, (A) one maturing as close as possible to, but earlier than, the Average Life Date and (B) the other maturing as close as possible to, but later than, the Average Life Date, in each case as reported in the most recent H.15 Page or, if a weekly average constant maturity, non-inflation indexed series yield to maturity for United States Treasury securities maturing on the Average Life Date is reported in the most recent H.15 Page, such weekly average yield to maturity as reported in such H.15 Page. "H.15 Page" means the H.15 Page published by the Board of Governors of the Federal Reserve System on its website (or successor publication of such information by such Board of Governors). The date of determination of a Make-Whole Amount shall be the third Business Day prior to the applicable redemption date and the "most recent H.15 Page" means the H.15 Page published prior to the close of business on the third Business Day prior to the applicable redemption date. "Average Life Date" means, for each Equipment Note to be redeemed, the date which follows the redemption date by a period equal to the Remaining Weighted Average Life at the redemption date of such Equipment Note. "Remaining Weighted Average Life" of an Equipment Note, at the redemption date of such Equipment Note, means the number of days equal to the quotient obtained by dividing: (i) the sum of the products obtained by multiplying (A) the amount of each then remaining installment of principal, including the payment due on the maturity date of such Equipment Note, by (B) the number of days from and including the redemption date to but excluding the scheduled Payment Date of such principal installment by (ii) the then unpaid principal amount of such Equipment Note. Loan Trustee shall have no obligation to calculate, or verify the calculation of, the Make-Whole Amount.

"Make-Whole Spread" means, with respect to any Series of Equipment Notes, the percentage specified for the applicable Series as such in Schedule I to the Indenture (as amended, in the case of any Additional Series or new Additional Series issued pursuant to Section 2.02 of the Indenture, at the time of issuance of such Series).

"Manufacturer" means The Boeing Company, a Delaware corporation, and its successors and assigns.

"Manufacturer's Consent" means the Manufacturer's Consent and Agreement to Assignment of Warranties, dated as of the Closing Date, substantially in the form of Exhibit D to the Participation Agreement.

"Noteholder" means any Person in whose name an Equipment Note is registered on the Equipment Note Register (including, for so long as it is the registered holder of any Equipment Notes, Subordination Agent on behalf of Pass Through Trustees pursuant to the provisions of the Intercreditor Agreement).

"Noteholder Liens" means any Lien attributable to any Noteholder on or against the Aircraft, any interest therein or any other portion of the Collateral, arising out of any claim against such Noteholder that is not related to the Operative Documents or Pass Through Documents, or out of any act or omission of such Noteholder that is not related to the transactions contemplated by, or that constitutes a breach by such Noteholder of its obligations under, the Operative Documents or the Pass Through Documents.

"Operative Documents" means, collectively, the Participation Agreement, the Indenture, each Indenture Supplement, the Manufacturer's Consent and the Equipment Notes.

"Operative Indentures" means, as of any date, each "Indenture" (as such term is defined in the Intercreditor Agreement), dated as of the date of the Indenture, including the Indenture, but only if as of such date all "Equipment Notes" (as defined in each such "Indenture") are held by "Subordination Agent" under the "Intercreditor Agreement", as such terms are defined in each such "Indenture".

"Other Party Liens" means any Lien attributable to any Pass Through Trustee (other than in its capacity as Noteholder), Subordination Agent (other than in its capacity as Noteholder) or the Liquidity Provider on or against the Aircraft, any interest therein, or any other portion of the Collateral arising out of any claim against such party that is not related to the Operative Documents or Pass Through Documents, or out of any act or omission of such party that is not related to the transactions contemplated by, or that constitutes a breach by such party of its obligations under, the Operative Documents or the Pass Through Documents.

"Participation Agreement" has the meaning set forth under the definition of "Agreement".

"Parts" means any and all appliances, parts, instruments, appurtenances, accessories, furnishings and other equipment of whatever nature (other than (a) complete Engines or engines and (b) Excluded Equipment), so long as the same are incorporated or installed in or attached to the Airframe or any Engine or so long as the same are subject to the Lien of the Indenture in accordance with the terms of Section 7.04 thereof after removal from the Airframe or any Engine.

"Pass Through Certificates" means the pass through certificates issued by any Pass Through Trust (and any other pass through certificates for which such pass through certificates may be exchanged).

"Pass Through Documents" means the Class AA Pass Through Trust Agreement, the Intercreditor Agreement and the Liquidity Facility.

"Pass Through Trust" means the grantor trust that has been created pursuant to the Class AA Pass Through Trust Agreement to facilitate certain of the transactions contemplated by the Operative Documents.

"Pass Through Trust Agreement" means the Trust Supplement relating to the Class AA Pass Through Trust, together with the Basic Pass Through Trust Agreement, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Pass Through Trustee" means the trustee under the Class AA Pass Through Trust Agreement, together with any successor in interest and any successor or other trustee appointed as provided in such Pass Through Trust Agreement.

"Past Due Rate" means the lesser of (a) with respect to (i) any payment made to a Noteholder under any Series of Equipment Notes, the Debt Rate then applicable to such Series plus 1% and (ii) any other payment made under any Operative Document to any other Person, the Debt Rate plus 1% (computed on the basis of a year of 360 days comprised of twelve 30-day months) and (b) the maximum rate permitted by applicable law.

"Payment Date" means, for any Equipment Note, each February 20 and August 20, commencing with February 20, 2021.

"Permitted Lessee" means any Person to whom Company is permitted to lease the Airframe or any Engine pursuant to Section 7.02(a) of the Indenture and is a party to a Lease.

"Permitted Lien" has the meaning specified in Section 7.01 of the Indenture. "Person" means any person, including any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, trustee, unincorporated organization or government or any agency or political subdivision thereof.

"Prospective International Interest" has the meaning ascribed to the defined term "prospective international interest" under the Cape Town Treaty.

"Purchase Agreement" means Purchase Agreement No. 3157, dated as of November 7, 2006, which incorporates by reference the Aircraft General Terms Agreement AGTA-FED, dated as of November 7, 2006, between Manufacturer and Company, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Related Equipment Note" means, as of any date, an "Equipment Note" as defined in each Related Indenture, but only if as of such date it is held by "Subordination Agent" under the "Intercreditor Agreement", as such terms are defined in such Related Indenture.

"Related Indemnitee Group" has the meaning specified in Section 4.02(b) of the Participation Agreement.

"Related Indenture" means each Operative Indenture (other than the Indenture).

"Related Indenture Indemnitee" means each Related Noteholder.

"Related Noteholder" means a registered holder of a Related Equipment Note.

"Replacement Aircraft" means the Aircraft of which a Replacement Airframe is part. "Replacement Airframe" means a Boeing 777FS2 aircraft or a comparable or improved model of Manufacturer (except (a) Engines or engines from time to time installed thereon and any and all Parts related to such Engine or engines and (b) Excluded Equipment), that shall have been made subject to the Lien of the Indenture pursuant to Section 7.05 thereof, together with all Parts relating to such aircraft.

"Replacement Engine" means a GE90-110B1 engine (or an engine of the same or another manufacturer of a comparable or an improved model and suitable for installation and use on the Airframe with the other Engine (or any other Replacement Engine being substituted simultaneously therewith)) that is made subject to the Lien of the Indenture pursuant to Section 7.04 or Section 7.05 thereof, together with all Parts relating to such engine.

"Responsible Officer" means, with respect to Company, its Chief Executive Officer, Chairman of the Board, its President, its Chief Operating Officer, any Executive Vice President, any Senior Vice President, the Chief Financial Officer, any Vice President, the Treasurer, the Assistant Treasurer, the Controller, the Assistant Secretary or the Secretary.

"Section 1110" means Section 1110 of the Bankruptcy Code.

"Securities Act" means the Securities Act of 1933, as amended from time to time.

"Series" means any series of Equipment Notes, including the Series AA Equipment Notes, or, if issued, any Additional Series Equipment Notes.

"Series AA" or "Series AA Equipment Notes" means Equipment Notes issued and designated as "Series AA Equipment Notes" under the Indenture, in the original principal amount and maturities as specified in Schedule I to the Indenture under the heading "Series AA Equipment Notes" and bearing interest at the Debt Rate for Series AA Equipment Notes specified in Schedule I to the Indenture.

"Similar Law" has the meaning specified in Section 4.02(d)(xi) of the Participation Agreement.

"Subordination Agent" has the meaning specified in the introductory paragraph of the Participation Agreement.

"Substitute Airframe" means a Boeing 777FS2 aircraft or a comparable or improved model of Manufacturer (except (a) Engines or engines from time to time installed thereon and any and all Parts related to such Engine or engines and (b) Excluded Equipment), that shall have been made subject to the Lien of the Indenture pursuant to Section 7.04 thereof, together with all Parts relating to such aircraft.

"Tax" and "Taxes" mean all governmental fees (including, without limitation, license, filing and registration fees) and all taxes (including, without limitation, franchise, excise, stamp, value added, income, gross receipts, sales, use and property taxes), withholdings, assessments, levies, imposts, duties or charges, of any nature whatsoever, together with any related penalties, fines, additions to tax or interest thereon imposed, withheld, levied or assessed by any country, taxing authority or governmental subdivision thereof or therein or by any international authority, including any taxes imposed on any Person as a result of such Person being required to collect and pay over withholding taxes.

"Transportation Code" means that portion of Title 49 of the United States Code comprising those provisions formerly referred to as the Federal Aviation Act of 1958, as amended, or any subsequent legislation that amends, supplements or supersedes such provisions.

"Trust Indenture Act" means the Trust Indenture Act of 1939, as amended from time to time.

"Trust Officer" means any officer within the Corporate Trust Office of Loan Trustee, including any vice president, assistant vice president, assistant secretary, assistant treasurer or any other officer of Loan Trustee who shall have direct responsibility for the administration of the Indenture, or any other officer of Loan Trustee to whom such matter is referred because of his or her knowledge of and familiarity with the particular subject.

"Trust Supplement" means that agreement supplemental to the Basic Pass Through Trust Agreement referred to in Schedule II to the Participation Agreement.

"UCC" means the Uniform Commercial Code as in effect in any applicable jurisdiction.

"United States" means the United States of America.

"WTC" has the meaning specified in the introductory paragraph of the Participation Agreement.

"Warranty Bill of Sale" means the warranty (as to title) bill of sale covering the Aircraft executed by Manufacturer or an affiliate of Manufacturer in favor of Company and specifically referring to each Engine, as well as the Airframe, constituting a part of the Aircraft.

Exhibit 4.9

EXECUTION VERSION

INDENTURE AND SECURITY AGREEMENT

(N126FE)

Dated as of August 13, 2020

between

FEDERAL EXPRESS CORPORATION,

and

WILMINGTON TRUST COMPANY,

as Loan Trustee

One Boeing 767-3S2F
Generic Manufacturer and Model Boeing 767-300F Aircraft
U.S. Registration No. N126FE

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INDENTURE AND SECURITY AGREEMENT
(N126FE)

This INDENTURE AND SECURITY AGREEMENT (N126FE), dated as of August 13, 2020, is made by and between FEDERAL EXPRESS CORPORATION, a Delaware corporation (together with its successors and permitted assigns, "Company"), and WILMINGTON TRUST COMPANY, a Delaware trust company, not in its individual capacity, except as expressly stated herein, but solely as Loan Trustee hereunder (together with its permitted successors hereunder, "Loan Trustee").

W I T N E S S E T H:

WHEREAS, the parties desire by this Indenture (such term and other capitalized terms used herein without definition being defined as provided in Article I), among other things, to provide for (i) the issuance by Company of the Equipment Notes specified on Schedule I hereto and one or more Additional Series and (ii) the grant, bargain, sale, conveyance, transfer, mortgage, assignment, pledge and confirmation by Company to Loan Trustee, as part of the Collateral hereunder, among other things, of a first priority security interest in, and mortgage lien on, all of Company's estate, right, title and interest in and to the Aircraft, as security for, among other things, Company's obligations to Loan Trustee, for the equal and proportionate benefit and security of Noteholders, Indenture Indemnitees and Related Indenture Indemnitees, subject to Section 2.13 and Article III;

WHEREAS, all things have been done to make the Equipment Notes of the Series listed on Schedule I hereto, when executed by Company and authenticated and delivered by Loan Trustee hereunder, the valid, binding and enforceable obligations of Company; and

WHEREAS, all things necessary to make this Indenture a legal, valid and binding obligation of Company for the uses and purposes herein set forth, in accordance with its terms, have been done and performed and have occurred;

GRANTING CLAUSE

NOW, THEREFORE, (x) to secure the prompt and complete payment (whether at stated maturity, by acceleration or otherwise) of principal of, Make-Whole Amount, if any, and interest on, the Equipment Notes and all other Secured Obligations payable by Company under the Operative Documents and the performance and observance by Company of all the agreements and covenants to be performed or observed by Company for the benefit of Noteholders and Indenture Indemnitees contained in the Operative Documents and (y) to secure the Related Secured Obligations, and in consideration of the premises and of the covenants contained in the Operative Documents and the Related Indentures, and for other good and valuable consideration given by Noteholders, Indenture Indemnitees and Related Indenture Indemnitees to Company at or before the Closing Date, the receipt and adequacy of which is hereby acknowledged, Company does hereby grant, bargain, sell, convey, transfer, mortgage, assign, pledge and confirm unto Loan Trustee and its successors in trust and permitted assigns, for the security and benefit of Noteholders, each Indenture Indemnitee and each Related Indenture Indemnitee, a first priority security interest in, and mortgage lien on, all estate, right, title and interest of Company in, to and under, all and singular, the following described properties, rights, interests and privileges, whether now owned or hereafter acquired (which, collectively, together with all property hereafter specifically subject to the Lien of this Indenture by the terms hereof or any supplement hereto, are included within, and are referred to as, the "Collateral"):

(1) the Aircraft, including the Airframe and the Engines, whether or not any such Engine from time to time is installed on the Airframe or any other airframe or any other aircraft, and any and all Parts relating thereto, and, to the extent provided herein, all substitutions and replacements of, and additions, improvements, accessions and accumulations to, the Aircraft, including the Airframe, the Engines and any and all Parts (in each case other than Excluded Equipment) relating thereto (such Airframe and Engines as more particularly described in the Indenture Supplement executed and delivered with respect to the Aircraft on the Closing Date or with respect to any substitutions or replacements therefor) and together with all logs, manuals, modification and maintenance records at any time required to be maintained with respect to the Aircraft in accordance with the rules and regulations of the FAA if the Aircraft is registered under the laws of the United States or the rules and regulations of the government of the country of registry if the Aircraft is registered under the laws of a jurisdiction other than the United States;

(2) the Warranty Rights, together with all rights, powers, privileges, options and other benefits of Company under the same;

(3) all requisition proceeds with respect to the Aircraft or any Part thereof, and all insurance proceeds with respect to the Aircraft or any Part thereof, but excluding all proceeds of, and rights under, any insurance maintained by Company and not required, or in excess of that required, under Section 7.06(c);

(4) all monies and securities held by Loan Trustee pursuant to paragraph (vii) of clause "third" of Section 3.03, all rents, revenues and other proceeds collected by Loan Trustee pursuant to Section 4.02(a), all monies and securities from time to time paid or deposited or required to be paid or deposited to or with Loan Trustee by or for the account of Company pursuant to any term of any Operative Document and held or required to be held by Loan Trustee hereunder or thereunder, including the Securities Account and all monies and securities deposited into the Securities Account; and

(5) 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, Company or, if a lease to a Permitted Lessee is then in effect, such Permitted Lessee, shall have the right, to the exclusion of Loan Trustee, (i) to quiet enjoyment of the Aircraft, the Airframe, the Parts and the Engines, and to possess, use, retain and control the Aircraft, the Airframe, the Parts and the Engines and all revenues, income and profits derived therefrom and (ii) with respect to the Warranty Rights, to exercise in Company's name all rights and powers of Company under the Warranty Rights and to retain any recovery or benefit resulting from the enforcement of any warranty or indemnity or other obligation under the Warranty Rights; provided, further, that notwithstanding the occurrence and continuation of an Event of Default, Loan Trustee shall not enter into any amendment or modification of the Purchase Agreement that would alter the rights, benefits or obligations of Company thereunder;

TO HAVE AND TO HOLD such first priority security interest in, and mortgage lien on all and singular the aforesaid property unto Loan Trustee, and its successors and permitted assigns, in trust for the equal and proportionate benefit and security of Noteholders, Indenture Indemnitees and Related Indenture Indemnitees, except as otherwise provided in this Indenture, including Section 2.13 and Article III, without any priority of any one Equipment Note over any other, or any Related 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 paragraphs (1) through (5) inclusive above, subject to the terms and provisions set forth in this Indenture.

It is expressly agreed that notwithstanding anything herein to the contrary, Company shall remain liable under the Purchase Agreement to perform all of its obligations thereunder, and, except to the extent expressly provided in any Operative Document, none of Loan Trustee, any Noteholder, any other Indenture Indemnitee or any Related Indenture Indemnitee shall be required or obligated in any manner to perform or fulfill any obligations of Company under or pursuant to any Operative Document, or have any obligation or liability under the Purchase Agreement by reason of or arising out of the assignment hereunder, or to make any inquiry as to the nature or sufficiency of any payment received by it, or present or file any claim or take any action to collect or enforce the payment of any amount that may have been assigned to it or to which it may be entitled at any time or times.

Notwithstanding anything herein to the contrary (but without in any way releasing Company from any of its duties or obligations under the Purchase Agreement), Loan Trustee, Noteholders, other Indenture Indemnitees and Related Indenture Indemnitees confirm for the benefit of Manufacturer that in exercising any rights under the Warranty Rights, or in making any claim with respect to the Aircraft or other goods and services delivered or to be delivered pursuant to the Purchase Agreement, the terms and conditions of the Purchase Agreement relating to the Warranty Rights, including, without limitation, the warranty disclaimer provisions for the benefit of Manufacturer, shall apply to and be binding upon Loan Trustee, Noteholders, other Indenture Indemnitees and Related Indenture Indemnitees to the same extent as Company. Company hereby directs Manufacturer, so long as an Event of Default shall have occurred and be continuing, to pay all amounts, if any, payable to Company pursuant to the Warranty Rights directly to Loan Trustee to be held and applied as provided herein. Nothing contained herein shall subject Manufacturer to any liability to which it would not otherwise be subject under the Purchase Agreement or modify in any respect the contract rights of Manufacturer thereunder except as provided in the Manufacturer's Consent.

Subject to the terms and conditions hereof, Company does hereby irrevocably constitute Loan Trustee the true and lawful attorney of Company (which appointment is coupled with an interest) with full power (in the name of Company or otherwise) to ask for, require, demand and receive any and all monies and claims for monies (in each case including insurance and requisition proceeds) due and to become due to Company under or arising out of the Purchase Agreement (to the extent assigned hereby), 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 Loan Trustee may deem to be necessary or advisable in the premises; provided that Loan Trustee shall not exercise any such rights except during the continuance of an Event of Default. Company agrees that, promptly upon receipt thereof, to the extent required by the Operative Documents, it will transfer to Loan Trustee any and all monies from time to time received by Company constituting part of the Collateral, for distribution by Loan Trustee pursuant to this Indenture.

Company does hereby warrant and represent that it has not sold, assigned or pledged, and hereby covenants and agrees that it will not sell, assign or pledge, so long as this Indenture shall remain in effect and the Lien hereof shall not have been released pursuant to the provisions hereof, any of its estate, right, title or interest hereby assigned, to any Person other than Loan Trustee, except as otherwise provided in or permitted by any Operative Document.

Company agrees that at any time and from time to time, upon the written request of Loan Trustee, Company shall promptly and duly execute and deliver or cause to be duly executed and delivered any and all such further instruments and documents as Loan Trustee 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 Loan Trustee the full benefit of the assignment hereunder and of the rights and powers herein granted; provided that any instrument or other document so executed by Company will not expand any obligations or limit any rights of Company in respect of the transactions contemplated by the Operative Documents.

IT IS HEREBY COVENANTED AND AGREED by and between the parties hereto as follows:

ARTICLE I

Definitions

Section 1.01 Definitions. For all purposes of this Indenture, unless the context otherwise requires, capitalized terms used but not defined herein have the respective meanings set forth or incorporated by reference in Annex A.

Section 1.02 Other Definitional Provisions.

(a) The definitions stated herein and in Annex A apply equally to both the singular and the plural forms of the terms defined.

(b) All references in this Indenture to designated "Articles", "Sections", "Subsections", "Schedules", "Exhibits", "Annexes" and other subdivisions are to the designated Article, Section, Subsection, Schedule, Exhibit, Annex or other subdivision of this Indenture, unless otherwise specifically stated.

(c) The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section, Subsection, Schedule, Exhibit, Annex or other subdivision.

(d) Unless the context otherwise requires, whenever the words "including", "include" or "includes" are used herein, they shall be deemed to be followed by the phrase "without limitation".

(e) All references in this Indenture to a "government" are to such government and any instrumentality or agency thereof.

(f) All references in this Indenture to a Person shall include successors and permitted assigns of such Person.

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 OR OTHER JURISDICTION. ACCORDINGLY, THIS EQUIPMENT NOTE MAY NOT BE OFFERED FOR SALE OR SOLD UNLESS EITHER REGISTERED UNDER THE ACT AND SUCH APPLICABLE STATE OR OTHER LAWS OR AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS IS AVAILABLE. IN ADDITION, THIS EQUIPMENT NOTE IS SUBJECT TO RESTRICTIONS ON TRANSFER PURSUANT TO THE PARTICIPATION AGREEMENT REFERRED TO HEREIN.

FEDERAL EXPRESS CORPORATION

SERIES 2020-1AA-N126FE

EQUIPMENT NOTE DUE FEBRUARY 20, 2034

ISSUED IN CONNECTION WITH THE BOEING MODEL 767-3S2F GENERIC MANUFACTURER AND MODEL BOEING MODEL 767-300F AIRCRAFT BEARING UNITED STATES REGISTRATION NUMBER N126FE

No. _____ Date: _____

DEBT RATE MATURITY DATE

_____ _____

FEDERAL EXPRESS CORPORATION (together with its successors and permitted assigns, "Company") hereby promises to pay to , or the registered assignee thereof, the principal amount of _____ Dollars ($_____) in installments on the Payment Dates set forth in Schedule I hereto, each such installment to be in an amount computed by multiplying the original principal amount of this Equipment Note by the percentage set forth in Schedule I hereto opposite the Payment Date on which such installment is due, and to pay interest in arrears on each Payment Date at the Debt Rate shown above on the principal amount remaining unpaid from time to time (calculated on the basis of a year of 360 days comprised of twelve 30-day months) from the date hereof, or from the most recent date to which interest hereon has been paid or duly provided for, until paid in full. Notwithstanding the foregoing, the final payment made on this Equipment Note shall be in an amount sufficient to discharge in full the unpaid principal 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 with the same force and effect as if made on such scheduled date, and if payment is made on such next succeeding Business Day, no interest shall accrue on the amount of such payment from and after such scheduled date.

For purposes hereof, the term "Indenture" means the Indenture and Security Agreement (N126FE), dated as of August 13, 2020, between Company and Wilmington Trust Company, as Loan Trustee ("Loan Trustee"), as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms. All capitalized terms used in this Equipment Note and not defined herein, unless the context otherwise requires, shall have the respective meanings set forth or incorporated by reference, and shall be construed and interpreted in the manner described, in the Indenture.

This Equipment Note shall bear interest, payable on demand, at the Past Due Rate (and not the Debt Rate) (calculated on the basis of a year of 360 days comprised of twelve 30-day months) on any principal amount and (to the extent permitted by applicable law) Make-Whole Amount, if any, interest, and any other amounts payable hereunder not paid when due for any period during which the same is overdue. Amounts shall be overdue if not paid in the manner provided herein or in the Indenture 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 Loan Trustee, or at the office of any successor trustee, in the manner provided in Section 2.07 of the Indenture.

The principal amount and interest and other amounts due hereunder shall be payable in Dollars in immediately available funds at the Corporate Trust Office of Loan Trustee, or as otherwise provided in the Indenture. Company shall not have any responsibility for the distribution of any such payment to Noteholder of this Equipment Note. 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, this Equipment Note shall be surrendered to Loan Trustee for cancellation.

The holder hereof, by its acceptance of this Equipment Note, agrees that, except as provided in the Indenture, including the subordination provisions referred to below, each payment of an installment of principal amount, Make-Whole Amount, if any, and interest received by it hereunder shall be applied: first, to the payment of accrued interest on this Equipment Note (as well as any interest on (i) any overdue principal amount, and (ii) to the extent permitted by applicable law, any overdue Make-Whole Amount, if any, any overdue interest and any other overdue amounts hereunder) to the date of such payment; second, to the payment of Make-Whole Amount, if any, with respect to this Equipment Note; third, to the payment of the principal amount of this Equipment Note (or portion thereof) then due hereunder, if any; and fourth, the balance, if any, remaining thereafter to the payment of installments of the principal amount of this Equipment Note (or portion thereof) remaining unpaid in the inverse order of their maturity.

This Equipment Note is one of the Equipment Notes referred to in the Indenture which have been or are to be issued by Company pursuant to the terms of the Indenture. The Collateral is held by Loan Trustee as security, in part, for the Equipment Notes. The provisions of this Equipment Note are subject to the Indenture, the Related Indentures, the Participation Agreement, the other Operative Documents and the Pass Through Documents. Reference is hereby made to the Indenture, the Related Indentures, the Participation Agreement, the other Operative Documents and the Pass Through Documents 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 (including as a "Related Equipment Note" under each Related Indenture) 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 Indenture, to all of which terms and conditions in the Indenture, the Related Indentures, the Participation Agreement, the other Operative Documents and the Pass Through Documents each holder hereof agrees by its acceptance of this Equipment Note.

As provided in the Indenture and subject to certain limitations therein set forth, this Equipment Note is exchangeable for an equal aggregate principal amount of Equipment Notes of the same Series of different authorized denominations, as requested by the holder surrendering the same. Prior to the due presentment for registration of transfer of this Equipment Note, Company and Loan Trustee shall deem and treat the Person in whose name this Equipment Note is registered on the Equipment Note Register as the absolute owner and holder hereof for the purpose of receiving all amounts payable with respect to this Equipment Note and for all purposes, and neither Company nor Loan Trustee shall be affected by notice to the contrary.

This Equipment Note is subject to redemption as provided in Sections 2.10, 2.11 and 2.12 of the Indenture but not otherwise. In addition, this Equipment Note may be accelerated as provided in Section 4.02 of the Indenture.

This Equipment Note is subject to certain restrictions set forth in Sections 4.01(a)(ii) and 4.01(a)(iii) of the Intercreditor Agreement, as further specified in Section 2.07 of the Indenture, to all of which terms and conditions in the Intercreditor Agreement each holder hereof agrees by its acceptance of this Equipment Note.

The holder hereof, by its acceptance of this Equipment Note, agrees that no payment or distribution shall be made on or in respect of the Secured Obligations (as defined in the Indenture) or the Secured Obligations (as defined in any Related Indenture) owed to such holder, including, without limitation, any payment or distribution of cash, property or securities after the occurrence of any of the events referred to in Section 4.01(f) of the Indenture or after the commencement of any proceedings of the type referred to in Sections 4.01(g), (h) or (i) of the Indenture, except, in each case, as expressly provided in Article III of the Indenture or Article III of the applicable Related Indenture, as appropriate.

The indebtedness evidenced by this Equipment Note is[,][1] [(i) to the extent and in the manner provided in the Indenture, subordinate and subject in right of payment to the prior payment in full of the Secured Obligations in respect of [Series AA Equipment Notes][2] [Series AA Equipment Notes and [ ][3]][4], and certain other Secured Obligations, and (ii)][5] to the extent and in the manner provided in each Related Indenture, subordinate and subject in right of payment to the prior payment in full under such Related Indenture of the "Secured Obligations" in respect of the "Equipment Notes" issued under such Related Indenture, and this Equipment Note is issued subject to such provisions. The Noteholder of this Equipment Note, by accepting the same, (a) agrees to and shall be bound by such provisions, (b) authorizes and directs Loan Trustee or the Related Loan Trustee under the applicable Related Indenture, as appropriate, on such Noteholder's behalf to take any action necessary or appropriate to effectuate the subordination as provided in the Indenture or the applicable Related Indenture and (c) appoints Loan Trustee or the Related Loan Trustee under the applicable Related Indenture, as appropriate, as such Noteholder's attorney-in-fact for such purpose.

Without limiting the foregoing, the holder hereof, by its acceptance of this Equipment Note, agrees that if such holder, in its capacity as a Noteholder, receives any payment or distribution on any Secured Obligation in respect of this Equipment Note that it is not entitled to receive under Section 2.13 or Article III of the Indenture, it shall hold any amount so received in trust for Loan Trustee and forthwith turn over such amount to Loan Trustee in the form received to be applied as provided in Article III of the Indenture.

Unless the certificate of authentication hereon has been executed by or on behalf of Loan Trustee by manual signature, this Equipment Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

THIS EQUIPMENT NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF NEW YORK, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE.

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1 To be inserted in the case of a Series AA Equipment Note.

2 To be inserted in the case of the Series of Additional Series Equipment Notes ranked most senior in priority of payment among all Series of Additional Series Equipment Notes.

3 To insert each Series of Additional Series Equipment Notes that rank senior in priority of payment to the Series of Additional Series Equipment Notes being issued.

4 To be inserted in the case of each Series of Additional Series Equipment Notes other than the Series of Additional Series Equipment Notes ranked most senior in priority of payment among all Series of Additional Series Equipment Notes.

5 To be inserted in the case of an Additional Series Equipment Note.

IN WITNESS WHEREOF, Company has caused this Equipment Note to be executed in its corporate name by its officer thereunto duly authorized on the date hereof.

FEDERAL EXPRESS CORPORATION

By: _____
Name:
Title:

LOAN TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Equipment Notes referred to in the within-mentioned Indenture.

Wilmington Trust Company,
not in its individual capacity but solely as Loan Trustee

By:
Authorized Signatory

SCHEDULE I

EQUIPMENT NOTE AMORTIZATION

Payment Date	Percentage of Original Principal Amount to be Paid

[SEE "EQUIPMENT NOTES AMORTIZATION" ON SCHEDULE I TO INDENTURE]

* * *

Section 2.02 Issuance and Terms of Equipment Notes. The Equipment Notes shall be dated the date of issuance thereof, shall be issued in (a) separate Series consisting of Series AA Equipment Notes and one or more Additional Series Equipment Notes (if issued) and (b) the maturities and principal amounts and shall bear interest at the applicable Debt Rates specified in Schedule I. On the Closing Date, each Series AA Equipment Note shall be issued to Subordination Agent on behalf of the Pass Through Trustee for the Pass Through Trust created under the Pass Through Trust Agreement referred to in Schedule II. Subject to compliance with the conditions set forth in Section 2.02 of the Participation Agreement and Section 8.01(c) or 8.01(d) of the Intercreditor Agreement, as applicable, Company shall have the option after the Closing Date, at any time and from time to time (i) to issue one or more Series of Additional Series Equipment Notes under this Indenture (including, for the avoidance of doubt, multiple issuances at the same or different times resulting in more than one Series of Additional Series Equipment Notes being outstanding at any time), (ii) to redeem all but not less than all of any Series of Additional Series Equipment Notes pursuant to, and in accordance with, the provisions of Section 2.11(b) and to issue under this Indenture new Equipment Notes with the same Series designation as, but with terms that may be the same as or different from those of, the redeemed Equipment Notes, and (iii) following the payment in full at maturity or otherwise of all but not less than all of any Series of Additional Series Equipment Notes, to issue new Equipment Notes with the same Series designation as, but with terms that may be the same as or different from those of, such Equipment Notes that have been paid in full. If new Additional Series Equipment Notes of any Series or new Additional Series Equipment Notes of any Series are issued after the Closing Date in accordance with the immediately preceding sentence, such Equipment Notes shall be dated the date of original issuance thereof and shall have such maturities, principal amounts and interest rate as specified in an amendment to this Indenture; provided, however, that any new Equipment Notes that are not fungible for U.S. federal income tax purposes with existing Equipment Notes shall be issued with a separate CUSIP number. 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. For the avoidance of doubt, if Company shall issue new "Additional Series Equipment Notes" of any Series or new "Additional Series Equipment Note" of any series, in each case under any Related Indenture, Company may, but shall not be required to, issue, as the case may be, Additional Series Equipment Notes of the same Series or new Additional Series Equipment Notes of the same Series, in each case under this Indenture.

Each Equipment Note shall bear interest at the Debt Rate specified for the applicable Series (calculated on the basis of a year of 360 days comprised of twelve 30-day months), payable in arrears on each Payment Date on the unpaid principal amount thereof from time to time outstanding from the most recent Payment Date to which interest has been paid or duly provided for (or, if no interest has been so paid or provided for, from the date of issuance of such Equipment Note) until such principal amount is paid in full, as further provided in the form of Equipment Note set forth in Section 2.01. The principal amount of each Series AA Equipment Note shall be payable in installments or in a single payment on the Payment Dates set forth in such Equipment Note, each such installment, if any, to be in an amount computed by multiplying the original principal amount of such Equipment Note by the corresponding percentage set forth in Schedule I hereto applicable to such Series, the applicable portion of which shall be attached as Schedule I to such Equipment Note, opposite the Payment Date on which such installment is due. Each Additional Series Equipment Note, if issued, shall be payable in installments or in a single payment as set forth in an amendment to this Indenture, and if payable in installments, such installments shall be calculated as set forth in the preceding sentence. Notwithstanding the foregoing, the final payment made under each Equipment Note shall be in an amount sufficient to discharge in full the unpaid principal 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 Past Due Rate (and not at the Debt Rate) (calculated on the basis of a year of 360 days comprised of twelve 30-day months) on any principal amount and (to the extent permitted by applicable law) Make-Whole Amount, if any, interest and any other amounts payable thereunder not paid when due for any period during which the same is overdue, in each case for the period the same is overdue. Amounts shall be overdue under an Equipment Note if not paid in the manner provided therein or in this Indenture when due (whether at stated maturity, by acceleration or otherwise). Notwithstanding anything to the contrary contained herein, if any date on which a payment hereunder or 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 with the same force and effect as if made on such scheduled date, and if such payment is made on such next succeeding Business Day, no interest shall accrue on the amount of such payment from and after such scheduled date.

The Equipment Notes shall be executed on behalf of Company by the manual or facsimile signature of one of its authorized officers. Equipment Notes bearing the signatures of individuals who were at the time of execution the proper officers of Company shall bind Company, 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. No Equipment Note shall be secured by or entitled to any benefit under this Indenture or be valid or obligatory for any purposes unless there appears on such Equipment Note a certificate of authentication in the form provided herein executed by Loan Trustee by the manual signature of one of its authorized officers, and such certificate upon any Equipment Notes shall be conclusive evidence, and the only evidence, that such Equipment Note has been duly authenticated and delivered hereunder.

Section 2.03 Method of Payment. The principal amount of, interest on, Make-Whole Amount, if any, and, except to the extent expressly provided herein, all other amounts due under each Equipment Note or otherwise payable hereunder shall be payable by Company in Dollars by wire transfer of immediately available funds not later than 10:00 a.m. (New York City time) on the due date of payment to Loan Trustee at the Corporate Trust Office for distribution among Noteholders in the manner provided herein, and payment of such amount by Company to Loan Trustee shall be deemed to satisfy Company's obligation to make such payment. Company shall not have any responsibility for the distribution of such payment to any Noteholder. Notwithstanding the foregoing or any provision in any Equipment Note to the contrary, Loan Trustee will use reasonable efforts to pay or cause to be paid, if so directed in writing by any Noteholder (with a copy to Company), all amounts paid by Company hereunder and under such Noteholder's Equipment Note or Equipment Notes to such Noteholder or a nominee therefor (including all amounts distributed pursuant to Article III) by transferring, or causing to be transferred, by wire transfer of immediately available funds in Dollars, prior to 12:00 noon (New York City time) on the due date of payment, to an account maintained by such Noteholder with a bank located in the continental United States the amount to be distributed to such Noteholder, for credit to the account of such Noteholder maintained at such bank; provided that, in the event the Equipment Notes are not held by Subordination Agent on behalf of Pass Through Trustees, Loan Trustee shall, unless instructed by Company to use another method, pay such amounts by check mailed to Noteholder's address as it appears on the Equipment Note Register. If, after its receipt of funds at the place and prior to the time specified above in the immediately preceding sentence, Loan Trustee fails (other than as a result of a failure of Noteholder to provide it with wire transfer instructions) to make any such payment required to be paid by wire transfer as provided in the immediately preceding sentence on the Business Day it receives such funds, Loan Trustee, in its individual capacity and not as trustee, agrees to compensate such Noteholders for loss of use of funds at the Federal Funds Rate until such payment is made and Loan Trustee 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 Loan Trustee for cancellation. Notwithstanding any other provision of this Indenture to the contrary, Loan Trustee 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 Loan Trustee 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 1:00 p.m. (New York City time) at the place of payment, in which case Loan Trustee shall make such required payment on the next succeeding Business Day. So long as any signatory to the Participation Agreement or nominee thereof shall be a registered Noteholder, all payments to it shall be made to the account of such Noteholder specified in Schedule I to the Participation Agreement or otherwise in the manner provided in or pursuant to the Participation Agreement unless it shall have specified some other account or manner of payment by notice to Loan Trustee consistent with this Section 2.03.

Section 2.04 Withholding Taxes. Loan Trustee shall exclude and withhold at the appropriate rate from each payment of principal, interest, Make-Whole Amount, if any, and other amounts due hereunder or under each Equipment Note (which exclusion and withholding shall constitute payment of such amounts payable hereunder or in respect of such Equipment Notes, as applicable) any and all withholding Taxes applicable thereto as required by applicable law. Loan Trustee agrees to act as such withholding agent and whenever any present or future 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 (which withholding shall constitute payment of such amounts payable hereunder or in respect of such Equipment Notes, as applicable) and timely pay the same to the appropriate authority in the name of and on behalf of Noteholders, that it will file any necessary withholding Tax returns or statements when due, and that as promptly as possible after the payment thereof it will deliver to each Noteholder (with a copy to Company) appropriate documentation showing the payment thereof, together with such additional documentary evidence as any such Noteholder may reasonably request from time to time. Loan Trustee agrees to file any other information reports it is required to file under United States law.

Section 2.05 Application of Payments. Subject always to Section 2.13 and except as otherwise provided in Article III, in the case of each Equipment Note, each payment of an installment of principal amount, Make-Whole Amount, if any, and interest paid thereon shall be applied:

first, to the payment of accrued interest on such Equipment Note (as well as any interest on (i) any overdue principal amount, and (ii) to the extent permitted by applicable law, any overdue Make-Whole Amount, if any, any overdue interest and any other overdue amounts thereunder) to the date of such payment;

second, to the payment of Make-Whole Amount, if any, with respect to such Equipment Note;

third, to the payment of the principal amount of such Equipment Note (or portion thereof) then due thereunder, if any; and

fourth, the balance, if any, remaining thereafter, to the payment of installments of the principal amount of such Equipment Note (or portion thereof) remaining unpaid in the inverse order of their maturity.

Section 2.06 Termination of Interest in Collateral. No Noteholder or Indenture Indemnitee shall, as such, have any further interest in, or other right with respect to, the Collateral when and if the principal amount of, Make-Whole Amount, if any, and interest (including, to the extent permitted by applicable law, post-petition interest and interest on any overdue amounts) on and all other amounts due under all Equipment Notes held by such Noteholder and all other sums then due and payable to such Noteholder or Indenture Indemnitee, as the case may be, hereunder (including, without limitation, under Section 2.14) and under the Participation Agreement by Company (the "Secured Obligations") have been paid in full.

Subject to Section 10.01 hereof, no Related Indenture Indemnitee shall, as such, have any further interest in, or other right with respect to, the Collateral when and if all Related Secured Obligations have been paid in full.

Section 2.07 Registration, Transfer and Exchange of Equipment Notes. Loan Trustee shall keep a register or registers (the "Equipment Note Register") in which Loan Trustee shall provide for the registration of Equipment Notes, the registration of transfers of Equipment Notes and a record of the dates and payments made with respect to the 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 Loan Trustee. Loan Trustee 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 or transfer such Equipment Note shall surrender such Equipment Note to Loan Trustee at the Corporate Trust Office, together with a written request from the registered holder thereof for the issuance of a new Equipment Note of the same Series, 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 and subject to satisfaction of Section 2.09, Company shall execute, and Loan Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Equipment Notes of an equal aggregate principal amount and of the same Series. At the option of Noteholder, Equipment Notes may be exchanged for other Equipment Notes of the same Series of any authorized denominations of an equal aggregate principal amount, upon surrender of the Equipment Notes to be exchanged to Loan Trustee at the Corporate Trust Office. Whenever any Equipment Notes are so surrendered for exchange, Company shall execute, and Loan Trustee shall authenticate and deliver, the Equipment Notes which Noteholder 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 or otherwise under this Indenture) shall be the valid obligations of Company evidencing the same respective obligations, and entitled to the same security and benefits under this 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 Company or Loan Trustee) be duly endorsed or be accompanied by a written instrument of transfer in form satisfactory to Loan Trustee, duly executed by Noteholder or such Noteholder's attorney duly authorized in writing, and Company and Loan Trustee shall require evidence satisfactory to Company as to the compliance of any such transfer with the Securities Act and the securities laws of any applicable state or jurisdiction. Loan Trustee shall make a notation on each new Equipment Note of the amount of all payments of principal 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. Principal, interest and all other amounts shall be deemed to have been paid on such new Equipment Note to the date on which such amounts have been paid on such old Equipment Note. Company and Equipment Note Registrar shall not be required to exchange any surrendered Equipment Notes as provided above (a) during the ten-day period preceding the due date of any payment on such Equipment Note or (b) that has been called for redemption. Company and Loan Trustee shall in all cases deem and treat the Person in whose name any Equipment Note has been issued and registered on the Equipment Note Register as the absolute owner and Noteholder 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 neither Company nor Loan Trustee shall be affected by any notice to the contrary. Loan Trustee will promptly notify Company 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 Indenture, the Related Indentures, the Participation Agreement, the other Operative Documents and the Pass Through Documents applicable to Noteholders or, in the case of each Related Indenture, Related Noteholders, and, without limiting the generality of the foregoing, any such transferee of an Equipment Note, by its acceptance of an Equipment Note: (i) agrees to the applicable provisions of Sections 6.01, 7.10 and 7.11 of the Participation Agreement, and shall be deemed to have represented, warranted and covenanted to the parties to the Participation Agreement as to the matters represented, warranted and covenanted by Noteholders, including Pass Through Trustees, in the Participation Agreement and (ii) agrees to the restrictions set forth in Sections 4.01(a)(ii) and 4.01(a)(iii) of the Intercreditor Agreement, and shall be deemed to have covenanted to the parties to the Intercreditor Agreement not to give any direction to, or otherwise authorize, Loan Trustee to take any action that would violate Section 4.01(a)(ii) or 4.01(a)(iii) of the Intercreditor Agreement. Subject to compliance by Noteholder and any transferee of the requirements set forth in this Section 2.07 and in Section 2.09, Loan Trustee and Company shall use all reasonable efforts to issue new Equipment Notes upon transfer or exchange within ten 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 becomes mutilated, destroyed, lost or stolen, Company shall, upon the written request of the holder of such Equipment Note and subject to satisfaction of this Section 2.08 and of Section 2.09, execute and Loan Trustee shall authenticate and deliver in replacement thereof a new Equipment Note of the same Series, payable in the same principal amount, dated the same date and captioned as issued in connection with the Aircraft. If the Equipment Note being replaced has become mutilated, such Equipment Note shall be surrendered to Loan Trustee, and a photocopy thereof shall be furnished to Company. If the Equipment Note being replaced has been destroyed, lost or stolen, the holder of such Equipment Note shall furnish to Company and Loan Trustee such security or indemnity as may be required by them to save Company and Loan Trustee harmless and evidence satisfactory to Company and Loan Trustee of the destruction, loss or theft of such Equipment Note and of the ownership thereof.

Section 2.09 Payment of Expenses on Transfer; Cancellation.

(a) No service charge shall be made to a Noteholder for any registration of transfer or exchange of Equipment Notes, but Loan Trustee, 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) Loan Trustee shall cancel all Equipment Notes surrendered for replacement, redemption, transfer, exchange, payment or cancellation, shall keep a copy of such canceled Equipment Notes, and shall send the original canceled Equipment Notes marked "canceled" to Company.

Section 2.10 Mandatory Redemption of Equipment Notes. Company shall redeem the Equipment Notes in whole in connection with an Event of Loss in respect of the Airframe or the Airframe and the Engines installed thereon (unless Company has performed the option set forth in Section 7.05(a)(i) with respect thereto) on or before the Loss Payment Date at a redemption price equal to 100% of the unpaid principal amount thereof, together with all accrued and unpaid interest thereon to (but excluding) the date of redemption and all other Secured Obligations owed or then due and payable to Noteholders, but without any Make-Whole Amount.

Section 2.11 Voluntary Redemption of Equipment Notes.

(a) Except as provided in Section 2.11(b), all (but not less than all) of the Equipment Notes may be redeemed by Company at any time upon at least 30 days' revocable prior written notice to Loan Trustee and Noteholders, and such Equipment Notes shall be redeemed in whole at a redemption price equal to 100% of the unpaid principal amount thereof, together with accrued and unpaid interest thereon to (but excluding) the date of redemption and all other Secured Obligations owed or then due and payable to Noteholders, plus Make-Whole Amount, if any; provided that no redemption shall be permitted under this Section 2.11(a) unless, simultaneously with such redemption, the Related Equipment Notes shall also be redeemed.

(b) All of any Series of Additional Series Equipment Notes (or any combination of the foregoing) may be redeemed by Company upon at least 15 days' revocable prior written notice to Loan Trustee and Noteholders of each Series to be redeemed, and such Series of Equipment Notes being redeemed pursuant to this Section 2.11(b) shall be redeemed in whole at a redemption price equal to 100% of the unpaid principal amount thereof, together with accrued and unpaid interest thereon to (but excluding) the date of redemption and all other Secured Obligations owed or then due and payable to Noteholders of such Series, plus Make-Whole Amount, if any; provided that:

(i) no redemption shall be permitted under this Section 2.11(b) unless, simultaneously with such redemption, the Related Additional Series Equipment Notes in respect of the Series of Additional Series Equipment Notes being redeemed (in the case of redemption hereunder of any Series of Additional Series Equipment Notes), as the case may be, shall also be redeemed; and

(ii) if, simultaneously with such redemption or at any time thereafter, new Additional Series Equipment Notes of the same Series designation as the Series of Additional Series Equipment Notes being redeemed (in the case of redemption hereunder of a Series of Additional Series Equipment Notes), in any such case, having terms that may be the same as or different from those of the redeemed Equipment Notes, are being issued, such new Equipment Notes shall be issued in accordance with Section 2.02 of the Participation Agreement and Section 8.01(c) of the Intercreditor Agreement.

(c) Notwithstanding anything to the contrary in Section 2.11(a) or (b), so long as Company or any of its Affiliates beneficially owns 100% of the Pass Through Certificates issued by any Pass Through Trustee, the redemption price shall not include, and no Noteholder shall have any right to otherwise claim, any Make-Whole Amount with respect to the Series of Equipment Notes issued to Subordination Agent for the benefit of such Pass Through Trustee.

Section 2.12 Redemptions; Notice of Redemptions; Repurchases.

(a) No redemption of any Equipment Note may be made except to the extent and in the manner expressly permitted by this Indenture. Company may at any time repurchase any of the Equipment Notes not held by Subordination Agent at any price and may hold or resell such Equipment Notes or surrender such Equipment Notes to Loan Trustee for cancellation.

(b) Notice of redemption with respect to the Equipment Notes shall be given by Loan Trustee by first-class mail, postage prepaid, or by hand delivery, mailed or delivered not less than 15 nor more than 60 days prior to the applicable redemption date, to each Noteholder of such Equipment Notes to be redeemed, at such Noteholder's address appearing in the Equipment Note Register; provided that such notice shall be revocable by written notice from Company to Loan Trustee given no later than three 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.

(c) On or before the redemption date, Company (or any person on behalf of Company) 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 Loan Trustee, deposit or cause to be deposited with Loan Trustee by 10:00 a.m. (New York City time) on the redemption date in immediately available funds the redemption price of the Equipment Notes to be redeemed.

(d) Notice of redemption having been given as aforesaid (and not revoked as permitted by this Section 2.12), the Equipment Notes to be redeemed shall, on the redemption date, become due and payable at the Corporate Trust Office of Loan Trustee, and from and after such redemption date (unless there is a default in the deposit of the redemption price pursuant to Section 2.12(c)) 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.

Section 2.13 Subordination.

(a) The indebtedness evidenced by the Series of Additional Series Equipment Notes ranked most senior in priority of payment among all Series of Additional Series Equipment Notes, if issued, will be, to the extent and in the manner provided in this Indenture (as this Indenture may be amended in connection with any such issuance of such most senior Series of Additional Series Equipment Notes), subordinate and subject in right of payment to the prior payment in full of the Secured Obligations in respect of the Series AA Equipment Notes, and any such most senior Series of Additional Series Equipment Notes, if issued, shall be issued subject to such provisions. The indebtedness evidenced by any Additional Series Equipment Notes (other than the Series of Additional Series Equipment Notes ranked most senior in priority of payment among all Series of Additional Series Equipment Notes), if issued, will be, to the extent and in the manner provided in this Indenture (as this Indenture may be amended in connection with any such issuance of such Additional Series Equipment Notes), subordinate and subject in right of payment to the prior payment in full of the Secured Obligations in respect of the Series AA Equipment Notes and each Series of Additional Series Equipment Notes that rank senior in priority of payment to such Additional Series Equipment Notes, and any such Additional Series Equipment Notes, if issued, shall be issued subject to such provisions. The indebtedness evidenced by the Series AA Equipment Notes is, and the indebtedness evidenced by any Additional Series Equipment Notes, if issued, will be, to the extent and in the manner provided in each Related Indenture, subordinate and subject in right of payment to the prior payment in full under such Related Indenture of the "Secured Obligations" in respect of the "Equipment Notes" issued under such Related Indenture, and the Series AA Equipment Notes are, and any Series of Additional Series Equipment Notes shall be, issued subject to such provisions. By acceptance of its Equipment Notes of any Series, each Noteholder of such Series (i) agrees to and shall be bound by such provisions, (ii) authorizes and directs Loan Trustee or the Related Loan Trustee under the applicable Related Indenture, as appropriate, on such Noteholder's behalf to take any action necessary or appropriate to effectuate the subordination as provided in this Indenture and the applicable Related Indenture and (iii) appoints Loan Trustee or the Related Loan Trustee under the applicable Related Indenture, as appropriate, as such Noteholder's attorney-in-fact for such purpose.

(b) Company, Loan Trustee and, by acceptance of its Equipment Notes of any Series, each Noteholder of such Series, hereby agree that no payment or distribution shall be made on or in respect of the Secured Obligations, or the "Secured Obligations" under any Related Indenture, owed to such Noteholder of such Series, including any payment or distribution of cash, property or securities after the occurrence of any of the events referred to in Section 4.01(f) or after the commencement of any proceedings of the type referred to in Section 4.01(g), (h) or (i), except, in each case, as expressly provided in Article III of this Indenture or Article III of the applicable Related Indenture, as appropriate.

(c) By the acceptance of its Equipment Notes of any Series, each Noteholder of such Series agrees that (i) if such Noteholder, in its capacity as a Noteholder, receives any payment or distribution on any Secured Obligations in respect of such Series that it is not entitled to receive under this Section 2.13 or Article III, it will hold any amount so received in trust for Loan Trustee and forthwith turn over such amount to Loan Trustee in the form received to be applied as provided in Article III and (ii) if such Noteholder, in its capacity as a "Noteholder" under any Related Indenture, receives any payment or distribution on any "Secured Obligations" in respect of "Equipment Notes" of any "Series" issued under such Related Indenture that it is not entitled to receive under Section 2.13 or Article III of such Related Indenture, it will hold any amount so received in trust for the Related Loan Trustee under such Related Indenture and forthwith turn over such amount to such Related Loan Trustee under such Related Indenture in the form received to be applied as provided in Article III of such Related Indenture.

Section 2.14 Certain Payments. Company agrees to pay to Loan Trustee for distribution in accordance with Section 3.04:

(a) an amount or amounts equal to the fees payable to the Liquidity Provider under Section 2.03 of the Liquidity Facility (or any Replacement Liquidity Facility) and the Fee Letter (as defined in the Intercreditor Agreement) related thereto (or similar provisions of any Replacement Liquidity Facility therefor and any related fee letter), multiplied by a fraction, the numerator of which is the sum of the then outstanding aggregate principal amount of the Series AA Equipment Notes and the denominator of which is the sum of the then outstanding aggregate principal amount of all "Series AA Equipment Notes" (each as defined in the Intercreditor Agreement) with respect to all of the "Indentures" (as defined in the Intercreditor Agreement);

(b) an amount equal to interest on any Special Termination Advance (other than any Applied Special Termination Advance) payable under Section 3.07 of the Liquidity Facility (or similar provisions of any Replacement Liquidity Facility therefor) minus Investment Earnings from such Special Termination Advance multiplied by the fraction specified in the foregoing clause (a);

(c) an amount equal to interest on any Downgrade Advance (other than any Applied Downgrade Advance) payable under Section 3.07 of the Liquidity Facility (or similar provisions of any Replacement Liquidity Facility therefor) minus Investment Earnings from such Downgrade Advance multiplied by the fraction specified in the foregoing clause (a);

(d) an amount equal to interest on any Non-Extension Advance (other than any Applied Non-Extension Advance) payable under Section 3.07 of the Liquidity Facility (or similar provisions of any Replacement Liquidity Facility therefor) minus Investment Earnings from such Non-Extension Advance multiplied by the fraction specified in the foregoing clause (a);

(e) if any payment default shall have occurred and be continuing with respect to interest on any "Series AA Equipment Notes" (as defined in the Intercreditor Agreement), (x) the excess, if any, of (1) the amount equal to the sum of interest on any Unpaid Advance (other than a Special Termination Advance), Applied Provider Advance or Applied Special Termination Advance payable under Section 3.07 of the Liquidity Facility (or similar provisions of any Replacement Liquidity Facility therefor) plus any other amounts payable in respect of such Unpaid Advance, Applied Provider Advance or Applied Special Termination Advance under Section 3.01, 3.03 or 3.09 of the Liquidity Facility (or similar provisions of any Replacement Liquidity Facility therefor) under which such Unpaid Advance, Applied Provider Advance or Applied Special Termination Advance was made over (2) the sum of (A) Investment Earnings from any Final Advance plus (B) any amount of interest at the Past Due Rate actually payable (whether or not in fact paid) by Company in respect of the overdue scheduled interest on the "Series AA Equipment Notes" (as defined in the Intercreditor Agreement) in respect of which such Unpaid Advance, Applied Provider Advance or Applied Special Termination Advance was made, multiplied by (y) a fraction, the numerator of which is the then aggregate overdue amounts of interest on the then outstanding Series AA Equipment Notes (other than interest becoming due and payable solely as a result of acceleration of any such Equipment Notes) and the denominator of which is the then aggregate overdue amounts of interest on all then outstanding "Series AA Equipment Notes" (as defined in the Intercreditor Agreement) with respect to all of the "Indentures" (as defined in the Intercreditor Agreement) (other than interest becoming due and payable solely as a result of acceleration of any such "Equipment Notes");

(f) any amounts owed to the Liquidity Provider by Subordination Agent as borrower under Sections 3.01 (other than in respect of an Unpaid Advance, Applied Provider Advance or Applied Special Termination Advance), 3.03 (other than in respect of an Unpaid Advance, Applied Provider Advance or Applied Special Termination Advance), 7.05 and 7.07 of the Liquidity Facility (or similar provisions of any Replacement Liquidity Facility therefor) multiplied by the fraction specified in the foregoing clause (a); and

(g) an amount or amounts equal to the compensation, including reasonable expenses and disbursements actually incurred, payable to Subordination Agent under Section 6.07 of the Intercreditor Agreement, multiplied by the fraction specified in the foregoing clause (a) (but in any event without duplication of any amount or amounts payable by Company in respect of such compensation under any other Operative Document or Pass Through Document).

For purposes of this paragraph, the terms "Applied Downgrade Advance", "Applied Non-Extension Advance", "Applied Provider Advance", "Applied Special Termination Advance", "Downgrade Advance", "Final Advance", "Investment Earnings", "Non-Extension Advance", "Special Termination Advance" and "Unpaid Advance" have the meanings specified in the Liquidity Facility (or any Replacement Liquidity Facility) or the Intercreditor Agreement, as applicable.

Section 2.15 Repayment of Monies for Equipment Note Payments Held by Loan Trustee. Any money or property held by Loan Trustee in trust for any payment of the principal of, Make-Whole Amount, if any, or interest or any other amounts due on, any Equipment Note, including, without limitation, any money or property deposited pursuant to Section 2.12(c) or 10.01, and remaining unclaimed for a 730-day period (for purposes of calculating this 730-day period, all days on which the payment of such money or property shall not have been made because of operation of law shall be excluded) after the due date for such payment (or such lesser time as Loan Trustee is satisfied, after 60 days' notice from Company, is one month prior to the escheat period provided under applicable state law) shall be paid to Company. Noteholders of any outstanding Equipment Notes shall thereafter, as unsecured general creditors, look only to Company for payment thereof, and all liability of Loan Trustee with respect to such trust money shall thereupon cease. Loan Trustee, before being required to make any such repayment, may at the expense of Company cause to be mailed to each such Noteholder notice that such money or property remains unclaimed. After a date specified in such notice, which may not be less than 30 days from the date of mailing, any unclaimed balance of such money or property then remaining will be repaid to Company as provided herein.

Section 2.16 Directions by Subordination Agent. So long as Subordination Agent is a Noteholder, notwithstanding anything contained herein or in any other Operative Document to the contrary, in exercising its right to vote the Equipment Notes held by it, or in giving or taking any direction, consent, request, demand, instruction, authorization, notice, waiver or other action provided by this Indenture or in respect of the Equipment Notes to be given or taken by a Noteholder (each such vote or other action, a "Direction") in respect of such Equipment Notes, Subordination Agent may act in accordance with any votes, directions, consents, requests, demands, instructions, authorizations, notices, waivers or other actions given or taken by any applicable Pass Through Trustee or the Controlling Party pursuant to the Intercreditor Agreement, including without limitation pursuant to Section 2.06, Article IV or Section 8.01(b) thereof. Subordination Agent shall be permitted (x) to give a Direction with respect to less than the entire principal amount of any single Equipment Note held by it, and (y) to give different Directions with respect to different portions of the principal amount of any single Equipment Note held by it. Any Direction given by Subordination Agent at any time with respect to more than a majority in aggregate unpaid principal amount of all of the Equipment Notes issued and then outstanding hereunder shall be deemed to have been given by a Majority in Interest of Noteholders.

ARTICLE III

Receipt, Distribution and Application of Income From the Collateral

Section 3.01 Basic Distributions. Except as otherwise provided in Sections 3.02, 3.03 and 3.04, each periodic payment by Company of regularly scheduled installments of principal or interest on the Equipment Notes received by Loan Trustee shall be promptly distributed in the following order of priority:

first, so much of such payment as is required to pay in full the aggregate amount of the payment or payments of principal amount and interest (as well as any interest on any overdue principal amount and, to the extent permitted by applicable law, on any overdue interest and any other overdue amounts) then due under all Series AA Equipment Notes shall be distributed to Noteholders of Series AA Equipment Notes ratably, without priority of one over the other, in the proportion that the amount of such payment or payments then due under each Series AA Equipment Note bears to the aggregate amount of the payments then due under all Series AA Equipment Notes;

second,; after giving effect to clause "first" above (and except as otherwise provided in an amendment to this Indenture pursuant to paragraph (xiii) or (xiv) of Section 9.01) so much of such payment remaining as is required to pay in full the aggregate amount of the payment or payments of principal amount and interest (as well as any interest on any overdue principal amount and, to the extent permitted by applicable law, on any overdue interest and any other overdue amounts) then due under all Additional Series Equipment Notes of a specified Series shall be distributed to Noteholders of Additional Series Equipment Notes of such Series ratably, without priority of one over the other, in the proportion that the amount of such payment or payments then due under each Additional Series Equipment Note of such Series bears to the aggregate amount of the payments then due under all Additional Series Equipment Notes of such Series, provided that this clause "third" shall apply to each Series of Additional Series Equipment Notes in order of priority of payment; and

fourth, the balance, if any, of such installment remaining thereafter shall be distributed to Company.

Section 3.02 Event of Loss; Optional Redemption.

Except as otherwise provided in Sections 3.03 and 3.04 and subject to the following provisos, any payments received by Loan Trustee (i) with respect to the Airframe or the Airframe and one or more Engines as the result of an Event of Loss pursuant to Section 2.10 or (ii) pursuant to an optional redemption of the Equipment Notes pursuant to Section 2.11 shall be applied to the redemption of the Equipment Notes and to all other Secured Obligations and Related Secured Obligations then due by applying such payments in the following order of priority:

first, so much of such payment as is required (i) to reimburse Loan Trustee and Noteholders for any reasonable costs or expenses actually incurred in connection with such redemption for which they are entitled to reimbursement, or indemnity by Company, under the Operative Documents and then (ii) to pay any other Secured Obligations then due to Loan Trustee, Noteholders and other Indenture Indemnitees under this Indenture, the Participation Agreement or the Equipment Notes (other than amounts specified in clauses "second" and "third" below);

second, after giving effect to clause "first" above:

(i) so much of such payment remaining as is required to pay the amounts specified in paragraph (i) of clause "third" of Section 3.03 plus Make-Whole Amount, if any, then due and payable in respect of the Series AA Equipment Notes;

(ii) after giving effect to paragraph (i) above (and except as otherwise provided in an amendment to this Indenture pursuant to paragraph (xiii) or (xiv) of Section 9.01), so much of such payment remaining as is required to pay the amounts specified in paragraph (ii) of clause "third" of Section 3.03 plus Make-Whole Amount, if any, then due and payable in respect of Additional Series Equipment Notes of a specified Series, provided that this paragraph (ii) shall apply to each Series of Additional Series Equipment Notes in order of priority of payment;

third, after giving effect to clause "second" above, so much of such payment remaining as is required to pay the amounts as provided in clause "third" of Section 3.03 in respect of Related Secured Obligations under each Defaulted Operative Indenture other than paragraph (vii) of clause "third" of Section 3.03; and

fourth, the balance, if any, of such payment, shall be distributed as provided in clause "fourth" of Section 3.03;

provided that any insurance, condemnation or similar proceeds resulting from an Event of Loss that are received by Loan Trustee shall be held and distributed by Loan Trustee as provided in Sections 7.05(c) and 7.06(f), and any such proceeds that are held by Loan Trustee shall be invested on behalf of the Company as provided in Section 5.06; and provided, further, that in the case of a redemption of Equipment Notes pursuant to Section 2.11(b), if a particular Series is not being redeemed pursuant thereto, no application of funds shall be made pursuant to the paragraphs in clause "second" above that refer to such Series in connection with such redemption. No Make-Whole Amount shall be due and payable on the Equipment Notes as a consequence of the redemption of the Equipment Notes as a result of an Event of Loss with respect to the Airframe or the Airframe and one or more Engines.

Section 3.03 Payments After Event of Default.

Except as otherwise provided in Section 3.04, all payments received and amounts held or realized by Loan Trustee (including any amounts realized by Loan Trustee from the exercise of any remedies pursuant to Article IV) after both an Event of Default shall have occurred and be continuing and the Equipment Notes shall have become due and payable pursuant to Section 4.02(a), as well as all payments or amounts then held by Loan Trustee as part of the Collateral, shall be promptly distributed by Loan Trustee in the following order of priority:

first, so much of such payments or amounts as is required to (i) reimburse Loan Trustee or WTC, to the extent Loan Trustee or WTC is entitled to be reimbursed or indemnified under the Operative Documents, for any Tax, expense or other loss (including, without limitation, all amounts to be expended at the expense of, or charged upon the tolls, rents, revenues, issues, products and profits of, the property included in the Collateral pursuant to Section 4.02(a)) actually incurred by Loan Trustee or WTC (to the extent not previously reimbursed), the expenses of any sale, taking or other proceeding, reasonable attorneys' fees and expenses, court costs, and any other expenditures actually incurred or expenditures or advances made by Loan Trustee, WTC or Noteholders in the protection, exercise or enforcement of any right, power or remedy or any damages sustained by Loan Trustee, WTC or any Noteholder, liquidated or otherwise, upon such Event of Default shall be applied by Loan Trustee as between itself, WTC and Noteholders in reimbursement of such expenses and any other expenses for which Loan Trustee, WTC or Noteholders are entitled to reimbursement under any Operative Document and (ii) pay all Secured Obligations payable to other Indenture Indemnitees hereunder and under the Participation Agreement or the Equipment Notes (other than amounts specified in clauses "second" and "third" below); and in case the aggregate amount so to be distributed shall be 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, after giving effect to clause "first" above, so much of such payments or amounts remaining as is required to reimburse the then existing or prior Noteholders for payments made pursuant to Section 5.03 (to the extent not previously reimbursed) shall be distributed to such then existing or prior Noteholders 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 Noteholder pursuant to Section 5.03;

third, after giving effect to clause "second" above:

(i) so much of such payments or amounts remaining as is required to pay in full the aggregate unpaid principal amount of all Series AA Equipment Notes, and the accrued but unpaid interest and other amounts due thereon and all other Secured Obligations in respect of the Series AA Equipment Notes to the date of distribution, shall be distributed to Noteholders of Series AA Equipment Notes, 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 (x) the aggregate unpaid principal amount of all Series AA Equipment Notes held by each holder thereof plus the accrued but unpaid interest and other amounts due in respect thereof hereunder or thereunder to the date of distribution bears to (y) the aggregate unpaid principal amount of all Series AA Equipment Notes held by all holders thereof plus the accrued but unpaid interest and other amounts due thereon to the date of distribution;

(ii) after giving effect to paragraph (i) above (and except as otherwise provided in an amendment to this Indenture pursuant to paragraph (xiii) or (xiv) of Section 9.01), so much of such payments or amounts remaining as is required to pay in full the aggregate unpaid principal amount of all Additional Series Equipment Notes of a specified Series, and the accrued but unpaid interest and other amounts due thereon and all other Secured Obligations in respect of the Additional Series Equipment Notes of such Series to the date of distribution, shall be distributed to Noteholders of Additional Series Equipment Notes of such Series, 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 (x) the aggregate unpaid principal amount of all Additional Series Equipment Notes of such Series held by each holder thereof plus the accrued but unpaid interest and other amounts due in respect thereof hereunder or thereunder to the date of distribution bears to (y) the aggregate unpaid principal amount of all Additional Series Equipment Notes of such Series held by all holders thereof plus the accrued but unpaid interest and other amounts due thereon to the date of distribution, provided that this paragraph (ii) shall apply to each Series of Additional Series Equipment Notes in order of priority of payment;

(iii) after giving effect to paragraph (ii) above, so much of such payments or amounts remaining as is required to pay in full the amounts then due and covered by clause "first" of Section 3.03 of each Defaulted Operative Indenture shall be distributed to the Related Loan Trustee under each respective Defaulted Operative Indenture, 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 accordance with the priorities and prorations in such clause "first";

(iv) after giving effect to paragraph (iii) above, so much of such payments or amounts remaining as is required to pay in full the amounts then due and covered by clause "second" of Section 3.03 of each Defaulted Operative Indenture shall be distributed to the Related Loan Trustee under each respective Defaulted Operative Indenture, 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 accordance with the priorities and prorations in such clause "second";

(v) after giving effect to paragraph (iv) above, so much of such payments or amounts remaining as is required to pay in full the aggregate amount of the payment or payments of principal amount and interest (as well as any interest on any overdue principal amount and, to the extent permitted by applicable law, on any overdue interest and any other overdue amounts) then due under all Related Series AA Equipment Notes, if any, issued under any Defaulted Operative Indenture shall be distributed to the Related Loan Trustee under each respective Defaulted Operative Indenture under which any Related Series AA Equipment Notes are outstanding, 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 (x) the amount of such payment or payments then due under all Related Series AA Equipment Notes issued under each Defaulted Operative Indenture bears to (y) the aggregate amount of the payments then due under all Related Series AA Equipment Notes issued under all Defaulted Operative Indentures;

(vi) after giving effect to paragraph (v) above (and except as otherwise provided in amendments to the applicable Related Indentures pursuant to paragraph (xiii) or (xiv) of Section 9.01 thereof), so much of such payments or amounts remaining as is required to pay in full the aggregate amount of the payment or payments of principal amount and interest (as well as any interest on any overdue principal amount and, to the extent permitted by applicable law, on any overdue interest and any other overdue amounts) then due under all Related Additional Series Equipment Notes of a specified Series, if any, issued under any Defaulted Operative Indenture shall be distributed to the Related Loan Trustee under each respective Defaulted Operative Indenture under which any Related Additional Series Equipment Notes of such Series are outstanding, 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 (x) the amount of such payment or payments then due under all Related Additional Series Equipment Notes of such Series issued under each Defaulted Operative Indenture bears to (y) the aggregate amount of the payments then due under all Related Additional Series Equipment Notes of such Series issued under all Defaulted Operative Indentures, provided that this paragraph (vi) shall apply to each Series of Additional Series Equipment Notes in order of priority of payment; and

(vii) after giving effect to paragraph (vi) above, if any Related Equipment Note is outstanding, any of such payments or amounts remaining and any invested Permitted Investments shall be held by Loan Trustee in an Eligible Account in accordance with the provisions of Section 3.07 (and invested as provided in Section 5.06) as additional security for the Related Secured Obligations, and such amounts (and any investment earnings thereon) shall be distributed from time to time in accordance with the foregoing provisions of this clause "third" as and to the extent any such Related Secured Obligation shall at any time and from time to time become due and remain unpaid after the giving of any required notice and the expiration of any applicable grace period; and, upon the payment in full of all such Related Secured Obligations the balance, if any, of any such remaining amounts and investment earnings thereon shall be applied as provided in clause "fourth" of this Section 3.03; and

fourth, the balance, if any, of such payments or amounts remaining thereafter shall be distributed to Company.

No Make-Whole Amount shall be payable on the Equipment Notes as a consequence of or in connection with an Event of Default or the acceleration of the Equipment Notes.

Section 3.04 Certain Payments.

(a) Any payments received by Loan Trustee for which provision as to the application thereof is made in this Indenture other than in this Article III shall be applied as provided in those provisions. Without limiting the foregoing, any payments received by Loan Trustee which are payable to Company pursuant to any of the provisions of this Indenture other than those set forth in this Article III (including Sections 5.06, 7.05 and 7.06) shall be so paid to Company. Any payments received by Loan Trustee for which no provision as to the application thereof is made in this Indenture and for which such provision is made in any other Operative Document shall be applied forthwith to the purpose for which such payment was made in accordance with the terms of such other Operative Document.

(b) Notwithstanding anything to the contrary contained in this Article III, Loan Trustee will distribute promptly upon receipt any indemnity payment received by it from Company pursuant to Section 4.02 of the Participation Agreement payable to (i) WTC and Loan Trustee, (ii) Subordination Agent, (iii) any separate or additional trustee appointed pursuant to Section 8.02, (iv) Pass Through Trustees, (v) the Liquidity Provider or (vi) any other Indenture Indemnitee, in each case, directly to the Person entitled thereto. Any payment received by Loan Trustee from Company under Section 2.14 shall be distributed to Subordination Agent to be distributed in accordance with Section 2.04(c) of the Intercreditor Agreement.

(c) Any payments received by Loan Trustee not constituting part of the Collateral or otherwise for which no provision as to the application thereof is made in any Operative Document shall be distributed by Loan Trustee to Company. Further, and except as otherwise provided in Sections 3.02 and 3.03, all payments received and amounts realized by Loan Trustee with respect to the Aircraft, to the extent received or realized at any time after payment in full of all Secured Obligations, as well as any amounts remaining as part of the Collateral after the occurrence of such payment in full, shall be distributed by Loan Trustee to Company.

Section 3.05 Payments to Company. Any amounts distributed hereunder by Loan Trustee to Company shall be paid to Company (within the time limits contemplated by Section 2.03) by wire transfer of funds of the type received by Loan Trustee at such office and to such account or accounts of such entity or entities as shall be designated by notice from Company to Loan Trustee from time to time.

Section 3.06 Cooperation. Prior to making any distribution under this Article III, Loan Trustee shall consult with Related Loan Trustees to determine amounts payable with respect to the Related Secured Obligations. Loan Trustee shall cooperate with Related Loan Trustees and shall provide such information as shall be reasonably requested by each Related Loan Trustee to enable such Related Loan Trustee to determine amounts distributable under Article III of its Related Indenture.

Section 3.07 Securities Account. In furtherance of the provisions of Section 3.03, WTC agrees to act as an Eligible Institution under this Indenture in accordance with the provisions of this Indenture (in such capacity, the "Securities Intermediary"). Except in its capacity as Loan Trustee, Wilmington Trust Company 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 Company. The Securities Intermediary hereby agrees that, notwithstanding anything to the contrary in this Indenture, (i) any amounts to be held by Loan Trustee pursuant to paragraph (vii) of clause "third" of Section 3.03 and any investment earnings thereon or other Permitted Investments in which such amounts are invested 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 Loan Trustee is the "entitlement holder" (as defined in Section 8-102(a)(7) of the NY UCC) of the "security 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, Permitted Investments 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, Permitted Investments, 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 form 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 Company, payable to or to the order of Company or specially indorsed to Company except to the extent the foregoing have been specially endorsed by Company to the Securities Intermediary or in blank. Loan Trustee agrees that it will hold (and will indicate clearly in its books and records that it holds) its "security entitlements" to the "financial assets" credited to the Securities Account in trust for the benefit of Noteholders, each Indenture Indemnitee and each Related Indenture Indemnitee as set forth in this Indenture. Company acknowledges that, by reason of Loan Trustee being the "entitlement holder" in respect of the Securities Account as provided above, Loan Trustee shall have the sole right and discretion, subject only to the terms of this 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 Company. If any Person asserts any Lien (including, without limitation, any writ, garnishment, judgment, warrant of attachment, execution or similar process) against the Securities Account or any financial asset carried therein, the Securities Intermediary will promptly notify Loan Trustee and Company thereof.

ARTICLE IV

Events of Default; Remedies of Loan Trustee

Section 4.01 Events of Default. Each of the following events constitutes an "Event of Default" whether such event is voluntary or involuntary or comes about or is 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 and each such Event of Default is deemed to exist and continue so long as, but only as long as, it has not been remedied or explicitly waived:

(a) Company fails to make any payment of principal amount of, Make-Whole Amount, if any, or interest on, any Equipment Note within 15 days after such payment is due;

(b) Company fails to make payment when the same is due of any amount (other than amounts referred to in Section 4.01(a)) due hereunder, under any Equipment Note or under any other Operative Document, and such failure continues unremedied for 30 days after the receipt by Company of written notice thereof from Loan Trustee or any Noteholder;

(c) Company fails to carry and maintain (or cause to be maintained) insurance or indemnity on or with respect to the Aircraft in accordance with the provisions of Section 7.06; provided that no such failure to carry and maintain insurance shall constitute an Event of Default until the earlier of (i) the date such failure has continued unremedied for a period of 30 days after receipt by Loan Trustee of the notice of cancellation referred to in Section 7.06 or (ii) the date such insurance is not in effect as to Loan Trustee;

(d) Company fails to perform or observe in any material respect any other covenant, condition or agreement to be performed or observed by it under any Operative Document, and such failure continues unremedied for a period of 60 days after receipt by Company of written notice thereof from Loan Trustee or any Noteholder; provided that, if such failure is capable of being remedied, no such failure shall constitute an Event of Default for a period of one year after such notice is received by Company so long as Company is diligently proceeding to remedy such failure;

(e) any representation or warranty made by Company in any Operative Document was incorrect in any material respect at the time made, and such incorrectness continues to be material to the transactions contemplated hereby and continues unremedied for a period of 60 days after receipt by Company of written notice thereof from Loan Trustee; provided that, if such incorrectness is capable of being remedied, no such incorrectness shall constitute an Event of Default for a period of one year after such notice is received by Company so long as Company is diligently proceeding to remedy such incorrectness;

(f) Company consents to the appointment of or the taking of possession by a receiver, trustee or liquidator in respect of a substantial part of its property, admits in writing its inability to pay its debts generally as they come due or makes a general assignment for the benefit of its creditors;

(g) Company or Parent files a voluntary petition in bankruptcy or a voluntary petition or an answer seeking reorganization, liquidation or other relief as a debtor in a case 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 Company or Parent as a debtor in any such case, or Company or Parent as a debtor seeks 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 Company or Parent seeks an agreement, composition, extension or adjustment with its creditors under such laws;

(h) an order, judgment or decree is entered by any court of competent jurisdiction appointing, without the consent of Company or Parent, as applicable, a receiver, trustee or liquidator of Company or Parent or sequestering any substantial part of Company or Parent's property, or granting any other relief in respect of Company or Parent as a debtor under any bankruptcy laws or insolvency laws (as in effect at such time), and any such order, judgment or decree of appointment or sequestration remains in force undismissed, unstayed or unvacated for a period of 90 days after the date of entry thereof;

(i) a petition against Company or Parent as a debtor in a case under the federal 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 that may apply to Company or Parent, any court of competent jurisdiction assumes jurisdiction, custody or control of Company or Parent or of any substantial part of Company or Parent's property and such jurisdiction, custody or control remains in force unrelinquished, unstayed or unterminated for a period of 90 days; or

(j) an "Event of Default" (as defined in any Related Indenture) shall have occurred and be continuing;

provided that notwithstanding anything to the contrary contained in this Section 4.01, any failure of Company to perform or observe any covenant, condition or agreement shall not constitute an Event of Default if such failure arises by reason of an event referred to in the definition of "Event of Loss" so long as Company is continuing to comply with all of the terms of Section 7.05.

Section 4.02 Remedies.

(a) If an Event of Default has occurred and is continuing and so long as the same shall continue unremedied, then and in every such case Loan Trustee may, and upon the written instructions of a Majority in Interest of Noteholders, Loan Trustee shall (subject to Section 5.03), do one or more of the following to the extent permitted by, and subject to compliance with the requirements of, applicable law then in effect (provided that during any period the Airframe or any Engine is subject to the CRAF Program and is in possession of or being operated under the direction of the United States government or an agency or instrumentality of the United States, Loan Trustee shall not, on account of any Event of Default, be entitled to exercise or pursue any of the powers, rights or remedies described in this Section 4.02 in such manner as to limit Company's control under this Indenture (or any Permitted Lessee's control under any Lease) of the Airframe or such Engine, unless at least 60 days' (or such other period as may then be applicable under the CRAF Program of the United States government) prior written notice of default hereunder has been given by Loan Trustee by registered or certified mail to Company (and any such Permitted Lessee) with a copy addressed to the Contracting Office Representative or other appropriate person for the Air Mobility Command of the United States Air Force under any contract with Company (or such Permitted Lessee) relating to the Aircraft):

(i) declare by written notice to Company all the Equipment Notes to be due and payable, whereupon the aggregate unpaid principal amount of all Equipment Notes then outstanding, together with accrued but unpaid interest thereon, and other amounts due thereunder (but without Make-Whole Amount), shall immediately become due and payable without presentment, demand, protest or other notice, all of which are hereby waived; provided that if an Event of Default referred to in Section 4.01(f), (g), (h) or (i) has occurred and is continuing, then and in every such case the unpaid principal amount of the Equipment Notes then outstanding, together with accrued but unpaid interest thereon, and all other amounts due thereunder (but without Make-Whole Amount) shall immediately and without further act become due and payable without presentment, demand, protest or notice, all of which are hereby waived; and, following such declaration or deemed declaration:

(ii) subject to Section 4.02(e), (A) cause Company, upon the demand by notice of Loan Trustee, at Company's expense, to deliver promptly, and Company shall deliver promptly, all or such part of the Airframe or any Engine as Loan Trustee so demands to Loan Trustee or its order, or, if Company has failed to so deliver the Airframe or any Engine after such demand, Loan Trustee, at its option, may enter upon the premises where all or any part of the Airframe or any Engine are located and take immediate possession of and remove the same together with any engine which is not an Engine but which is installed on the Airframe, subject to all of the rights of the owner, lessor, lienor or secured party of such engine; provided that the Airframe with an engine (which is not an Engine) installed thereon may be flown or returned only to a location within the continental United States, and such engine shall be held at the expense of Company for the account of any such owner, lessor, lienor, secured party or, if such engine is owned by Company, may at the option of Company with the consent of Loan Trustee (which will not be unreasonably withheld) or at the option of Loan Trustee with the consent of Company (which will not be unreasonably withheld), be exchanged with Company for an Engine in accordance with the provisions of Section 7.05(b); (B) sell all or any part of the Airframe and any Engine at public or private sale, whether or not Loan Trustee at the time has possession thereof, as Loan Trustee may determine, or otherwise dispose of, hold, use, operate, lease to others or keep idle all or any part of the Airframe or such Engine as Loan Trustee, in its sole discretion, determines, all free and clear of any rights or claims of Company, and the proceeds of such sale or disposition shall be applied as set forth in Section 3.03; or (C) exercise any other remedy of a secured party under the NY UCC (whether or not in effect in the jurisdiction in which enforcement is sought); provided that, notwithstanding anything to the contrary set forth herein or in any other Operative Document, (i) as permitted by Article 15 of the Cape Town Convention, the provisions of Chapter III of the Cape Town Convention are hereby excluded and made inapplicable to this Indenture and the other Operative Documents, except for those provisions of such Chapter III that cannot be derogated from; and (ii) as permitted by Article IV(3) of the Aircraft Protocol, the provisions of Chapter II of the Aircraft Protocol are hereby excluded and made inapplicable to this Indenture and the other Operative Documents, except for (x) Article XVI of the Aircraft Protocol and (y) those provisions of such Chapter II that cannot be derogated from. In furtherance of the foregoing, the parties hereto agree that the exercise of remedies hereunder and the other Operative Documents is subject to other applicable law, including without limitation, the NY UCC and the Bankruptcy Code, and that nothing herein derogates from the rights of Company or Loan Trustee under or pursuant to such other applicable law, including without limitation, the NY UCC or the Bankruptcy Code.

Upon every such taking of possession of Collateral under this Section 4.02, Loan Trustee may, from time to time, at the expense of the Collateral, make all such expenditures for maintenance, insurance, repairs, alterations, additions and improvements to and of the Collateral as it deems necessary to cause the Collateral to be in such condition as required by the provisions of this Indenture. In each such case, Loan Trustee may maintain, use, operate, store, insure, lease, control, manage or dispose of the Collateral and may exercise all rights and powers of Company relating to the Collateral as Loan Trustee reasonably deems best, including the right to enter into any and all such agreements with respect to the maintenance, use, operation, storage, insurance, leasing, control, management or disposition of the Collateral or any part thereof as Loan Trustee may reasonably determine; and Loan Trustee shall be entitled to collect and receive directly all tolls, rents, revenues, issues, income, products and profits of the Collateral and every part thereof without prejudice, however, to the rights of Loan Trustee under any provision of this Indenture to collect and receive all cash held by, or required to be deposited with Loan Trustee hereunder. Such tolls, rents, revenues, issues, income, products and profits shall be applied to pay the expenses of the use, operation, storage, insurance, leasing, control, management or disposition of the Collateral, and of all maintenance, repairs, replacements, alterations, additions and improvements, and to make all payments that Loan Trustee is required or elects to make, if any, for Taxes, insurance or other proper charges assessed against or otherwise imposed upon the Collateral or any part thereof, and all other payments which Loan Trustee is required or expressly authorized to make under any provision of this Indenture, as well as just and reasonable compensation for the services of Loan Trustee, and shall otherwise be applied in accordance with Article III. If an Event of Default has occurred and is continuing and the Equipment Notes either have been accelerated pursuant to this Section 4.02 or have become due at maturity and Loan Trustee is entitled to exercise rights hereunder, at the request of Loan Trustee, Company shall promptly execute and deliver to Loan Trustee such instruments of title and other documents as Loan Trustee reasonably deems necessary or advisable to enable Loan Trustee or an agent or representative designated by Loan Trustee, at such time or times and place or places as Loan Trustee specifies, to obtain possession of all or any part of the Collateral to which Loan Trustee at the time is entitled hereunder. If Company for any reason fails to execute and deliver such instruments and documents after such request by Loan Trustee, Loan Trustee may seek a judgment conferring on Loan Trustee the right to immediate possession and requiring Company to execute and deliver such instruments and documents to Loan Trustee, to the entry of which judgment Company hereby specifically consents to the fullest extent it may lawfully do so. All actual and reasonable expenses of obtaining such judgment or of pursuing, searching for and taking such property shall, until paid, be secured by the Lien of this Indenture.

(b) Loan Trustee shall give Company at least 30 days' prior written notice of any public sale or of the date on or after which any private sale will be held, which notice Company hereby agrees to the extent permitted by applicable law is reasonable notice. Any Noteholder or Noteholders shall be entitled to bid for and become the purchaser of any Collateral offered for sale pursuant to this Section 4.02 and to credit against the purchase price bid at such sale by such Noteholders all or any part of the unpaid amounts owing to such Noteholders under the Operative Documents and secured by the Lien of this Indenture (but only to the extent that such purchase price would have been paid to such Noteholders pursuant to Article III if such purchase price were paid in cash and the foregoing provision of this Section 4.02(b) were not given effect). Loan Trustee may exercise such right without possession or production of the Equipment Notes or proof of ownership thereof, and as a representative of Noteholders may exercise such right without notice to Noteholders as party to any suit or proceeding relating to the foreclosure of any Collateral. Company may also bid for and become the purchaser of any Collateral offered for sale pursuant to this Section 4.02.

(c) To the extent permitted by applicable law, while an Event of Default has occurred and is continuing, Company irrevocably appoints Loan Trustee the true and lawful attorney-in-fact of Company (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 Indenture, whether pursuant to foreclosure or power of sale, or otherwise, to execute and deliver all such bills of sale, assignments and other instruments as may be necessary or appropriate, with full power of substitution, Company hereby ratifying and confirming all that such attorney or any substitute does by virtue hereof in accordance with applicable law; provided that if so requested by Loan Trustee or any purchaser, Company shall ratify and confirm any such sale, assignment or transfer of delivery, by executing and delivering to Loan Trustee or such purchaser all bills of sale, assignments, releases and other proper instruments to effect such ratification and confirmation as may reasonably be designated in any such request.

(d) At any time after Loan Trustee has declared the unpaid principal amount of all Equipment Notes then outstanding to be due and payable, or all Equipment Notes shall have become due and payable as provided in the proviso to Section 4.02(a)(i), and, in either case, prior to the sale of any part of the Collateral pursuant to this Article IV, a Majority in Interest of Noteholders, by written notice to Company and Loan Trustee, may rescind and annul such declaration, whether made by Loan Trustee on its own accord or as directed or deemed declaration, and its consequences if: (i) there has been paid to or deposited with Loan Trustee an amount sufficient to pay all overdue installments of principal amount of, and interest on, the Equipment Notes, and all other amounts owing under the Operative Documents, that have become due otherwise than by such declaration of acceleration and (ii) all other Events of Default, other than nonpayment of principal amount or interest on the Equipment Notes that have become due solely because of such acceleration, have been either cured or waived; provided that no such rescission or annulment shall extend to or affect any subsequent default or Event of Default or impair any right consequent thereon.

(e) Notwithstanding anything contained herein, (i) so long as Pass Through Trustee under any Pass Through Trust Agreement or Subordination Agent on its behalf is a Noteholder, Loan Trustee 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 Pass Through Trust to fail to qualify as a "grantor trust" for U.S. federal income tax purposes, and (ii) Loan Trustee will not take any action that would violate Section 4.01(a)(ii) or 4.01(a)(iii) of the Intercreditor Agreement.

Section 4.03 Remedies Cumulative. To the extent permitted under applicable law, each and every right, power and remedy specifically given to Loan Trustee herein or otherwise in this Indenture shall be cumulative and shall be in addition to every other right, power and remedy specifically given herein or now or hereafter existing at law, in equity or by statute, and each and every right, power and remedy whether specifically given herein or otherwise existing may be exercised from time to time and as often and in such order as may be deemed expedient by Loan Trustee, 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 Loan Trustee in the exercise of any right, remedy or power or in the pursuance of any remedy shall, to the extent permitted by applicable law, impair any such right, power or remedy or be construed to be a waiver of any default on the part of Company or to be an acquiescence therein.

Section 4.04 Discontinuance of Proceedings. In case Loan Trustee has instituted any proceedings to enforce any right, power or remedy under this Indenture by foreclosure, entry or otherwise, and such proceedings have been discontinued or abandoned for any reason or have been determined adversely to Loan Trustee, then and in every such case Company and Loan Trustee 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 Loan Trustee shall continue as if no such proceedings had been undertaken (but otherwise without prejudice).

Section 4.05 Waiver of Past Defaults. Subject to Section 5.03, upon written instruction from a Majority in Interest of Noteholders, Loan Trustee 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 Indenture and the other Operative Documents, 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 each of the affected Noteholders, Loan Trustee shall not waive any default (i) in the payment of the principal amount, Make-Whole Amount, if any, or interest due under any Equipment Note then outstanding (other than with the consent of the holder thereof), or (ii) in respect of a covenant or provision hereof which, under Article IX, cannot be modified or amended without the consent of each such affected Noteholder.

Section 4.06 Noteholders May Not Bring Suit Except Under Certain Conditions. A Noteholder of any Series shall not have the right to institute any suit, action or proceeding at law or in equity or otherwise with respect to this Indenture or the Equipment Notes or otherwise, or for the appointment of a receiver or for the enforcement of any other remedy under this Indenture or the Equipment Notes or otherwise, unless:

(1) such Noteholder previously shall have given written notice to Loan Trustee of a continuing Event of Default;

(2) a Majority in Interest of Noteholders shall have requested Loan Trustee in writing to institute such action, suit or proceeding and shall have offered to Loan Trustee indemnity as provided in Section 5.03;

(3) Loan Trustee shall have refused or neglected to institute any such action, suit or proceeding for 60 days after receipt of such notice, request and offer of indemnity; and

(4) no direction inconsistent with such written request shall have been given to Loan Trustee during such 60-day period by a Majority in Interest of Noteholders.

Except to the extent provided in the Intercreditor Agreement or herein, it is understood and intended that no one or more of Noteholders of any Series shall have any right in any manner whatsoever hereunder or under the Equipment Notes of such Series to (i) surrender, impair, waive, affect, disturb or prejudice any Collateral, or the Lien of this Indenture on any Collateral, or the rights of Noteholders of such Series, (ii) obtain or seek to obtain priority over or preference with respect to any other such Noteholder of such Series or (iii) enforce any right under this Indenture or the Equipment Notes of such Series, except in the manner provided in this Indenture and for the equal, ratable and common benefit of all Noteholders of such Series subject to the provisions of this Indenture.

Section 4.07 Appointment of a Receiver. To the extent permitted by applicable law, if an Event of Default shall have occurred and be continuing, and the Equipment Notes either shall have been accelerated pursuant to Section 4.02 or have become due at maturity, Loan Trustee shall, as a matter of right, be entitled to the appointment of a receiver (who may be Loan Trustee 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, to the extent permitted by applicable law, Company 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 Loan Trustee with respect to the Collateral.

ARTICLE V

Duties of Loan Trustee

Section 5.01 Notice of Event of Default. If Loan Trustee has actual knowledge of an Event of Default or of a default arising from a failure by Company to pay when due any payment of principal amount, interest on, or Make-Whole Amount, if any, due and payable under any Equipment Note, Loan Trustee shall promptly give notice thereof to Company, the Liquidity Provider and each Noteholder. Subject to the terms of Sections 4.02, 4.05, 5.02 and 5.03, Loan Trustee shall take such action, or refrain from taking such action, with respect to such default or Event of Default (including with respect to the exercise of any rights or remedies hereunder) as Loan Trustee is instructed in writing by a Majority in Interest of Noteholders. Subject to the provisions of Section 5.03, if Loan Trustee does not receive instructions as above provided within 20 Business Days after giving notice of such default or Event of Default to Noteholders, Loan Trustee may, subject to instructions thereafter received pursuant to the preceding provisions of this Section 5.01, take such action, or refrain from taking such action with respect to such default or Event of Default as it reasonably determines to be advisable in the best interests of Noteholders, but shall be under no duty to take or refrain from taking any action. In acting pursuant to the immediately preceding sentence, Loan Trustee shall use the same degree of care and skill in connection therewith as a prudent person would use under the circumstances in the conduct of his or her own affairs. Loan Trustee may not sell the Airframe or any Engine without the consent of a Majority in Interest of Noteholders.

For all purposes of this Indenture, in the absence of actual knowledge, Loan Trustee shall not be deemed to have knowledge of a default or an Event of Default unless notified in writing by Company or one or more Noteholders; and "actual knowledge" (as used in the foregoing clause) of Loan Trustee shall mean actual knowledge of a Trust Officer of Loan Trustee; provided that Loan Trustee is deemed to have actual knowledge of (i) the failure of Company to pay any principal amount of, or interest on, the Equipment Notes directly to Loan Trustee when the same shall become due or (ii) the failure of Company to maintain insurance as required under Section 7.06 if Loan Trustee receives written notice thereof from an insurer or insurance broker.

Section 5.02 Action upon Instructions; Certain Rights and Limitations. Subject to the terms of Article IV and this Article V, upon the written instructions at any time of a Majority in Interest of Noteholders, Loan Trustee shall promptly (i) give such notice, direction, consent, waiver or approval or exercise such right, remedy or power hereunder in respect of all or any part of the Collateral or (ii) take such other action permitted hereunder, in each case, as is specified in such instructions.

Loan Trustee will cooperate with Company in connection with the recording, filing, re-recording and refiling of this Indenture and any supplements to it and any financing statements or other documents as is necessary to maintain the perfection hereof or otherwise protect the security interests created hereby. Loan Trustee shall furnish to Company upon request such information and copies of such documents as Loan Trustee may have and as are necessary for Company to perform its duties under Article II.

Section 5.03 Indemnification. Loan Trustee shall not be required to take any action or refrain from taking any action under Section 5.01 (other than the first sentence thereof) or 5.02 or Article IV unless it shall have received indemnification against any risks incurred in connection therewith in form and substance reasonably satisfactory to it, including, without limitation, adequate advances against costs that may be actually incurred by it in connection therewith. Loan Trustee shall not be required to take any action under Section 5.01 (other than the first sentence thereof) or 5.02 or Article IV, nor shall any other provision of any Operative Document be deemed to impose a duty on Loan Trustee to take any action, if Loan Trustee shall have been advised by outside counsel that such action is contrary to the terms hereof or is otherwise contrary to applicable law.

Section 5.04 No Duties Except as Specified in Indenture or Instructions. Loan Trustee shall not have any duty or obligation to manage, control, lease, use, sell, operate, store, dispose of or otherwise deal with the Aircraft or any other part of the Collateral, or to otherwise take or refrain from taking any action under, or in connection with, this Indenture, except as expressly provided by the terms of this Indenture or the Participation Agreement or as expressly provided in written instructions received pursuant to the terms of Section 5.01 or 5.02; and no implied duties or obligations shall be read into this Indenture against Loan Trustee.

Section 5.05 No Action Except under Indenture or Instructions. Loan Trustee will not manage, control, use, sell, lease, operate, store, dispose of or otherwise deal with the Aircraft or any other part of the Collateral except in accordance with the powers granted to, or the authority conferred upon, Loan Trustee pursuant to this Indenture and in accordance with the express terms hereof.

Section 5.06 Investment of Amounts Held by Loan Trustee. Any monies (including for the purpose of this Section 5.06 any amounts held by Loan Trustee pursuant to Section 3.02, 3.03 or 3.07 or pursuant to any provision of any other Operative Document providing for amounts to be held by Loan Trustee which are not distributed pursuant to the other provisions of Article III, or any cash received by Loan Trustee pursuant to Section 7.05(c) or 7.06(f) or otherwise, or Permitted Investments purchased by the use of such cash pursuant to this Section 5.06 or any cash constituting the proceeds of the maturity, sale or other disposition of any Permitted Investments) held by Loan Trustee hereunder as part of the Collateral, until paid out by Loan Trustee as herein provided, (i) subject to clause (ii) below and Section 3.07, may be carried by Loan Trustee on deposit with itself or on deposit to its account with any bank, trust company or national banking association incorporated or doing business under the laws of the United States or one of the states thereof having combined capital and surplus and retained earnings of at least $100,000,000, and Loan Trustee shall not have any liability for interest upon any such monies except as otherwise agreed in writing with Company, or (ii) at any time and from time to time, so long as no Event of Default shall have occurred and be continuing, at the request of Company, shall be invested and reinvested in Permitted Investments as specified in such request (if such investments are reasonably available for purchase) and sold, in any case at such prices, including accrued interest or its equivalent, as are set forth in such request, and, as provided in Section 3.07, such Permitted Investments shall be held by Loan Trustee in trust as part of the Collateral until so sold; provided that Company shall upon demand pay to Loan Trustee the amount of any loss realized upon maturity, sale or other disposition of any such Permitted Investment and, so long as no Event of Default or Payment Default shall have occurred and be continuing, Company shall be entitled to receive from Loan Trustee, and Loan Trustee shall promptly pay to Company, any profit, income, interest, dividend or gain realized upon maturity, sale or other disposition of any Permitted Investment. All Permitted Investments held by Loan Trustee pursuant to this Section 5.06 shall be held pursuant to Section 3.07. If an Event of Default or Payment Default shall have occurred and be continuing, any net income, profit, interest, dividend or gain realized upon maturity, sale or other disposition of any Permitted Investment shall be held as part of the Collateral and shall be applied by Loan Trustee at the same time, on the same conditions and in the same manner as the amounts in respect of which such income, profit, interest, dividend or gain was realized are required to be distributed in accordance with the provisions hereof pursuant to which such amounts were required to be held. Subject to Section 3.03, at such time as there shall not be continuing any such Event of Default or Payment Default, such income, profit, interest, dividend or gain shall be paid to Company. In addition, subject to Section 3.03, if any monies or investments are held by Loan Trustee solely because an Event of Default or Payment Default has occurred and is continuing, at such time as there shall not be continuing any such Event of Default or Payment Default, such monies and investments shall be paid to Company. Loan Trustee shall not be responsible for any losses on any investments or sales of Permitted Investments made pursuant to the procedure specified in this Section 5.06 other than by reason of its willful misconduct or negligence.

ARTICLE VI

Loan Trustee

Section 6.01 Acceptance of Trusts and Duties. Wilmington Trust Company accepts the trusts and duties hereby created and applicable to it and agrees to perform such duties, but only upon the terms of this Indenture and agrees to receive, handle and disburse all monies received by it as Loan Trustee constituting part of the Collateral in accordance with the terms of this Indenture. Wilmington Trust Company shall have no liability hereunder except (a) for its own willful misconduct or negligence, (b) as provided in the fourth sentence of Section 2.03 and the last sentence of Section 5.06, (c) for liabilities that may result from the inaccuracy of any representation or warranty of Wilmington Trust Company in the Participation Agreement or expressly made hereunder and (d) as otherwise expressly provided in the Operative Documents.

For the avoidance of doubt, Loan Trustee shall also be accountable in its capacity as Securities Intermediary with respect to the Security Account, as set forth in Section 3.07.

Section 6.02 Absence of Certain Duties. Except in accordance with written instructions furnished pursuant to Sections 5.01, 5.02 or 6.06, and except as provided in, and without limiting the generality of, Sections 5.02, 5.03 and 5.04, Loan Trustee shall have no duty (a) to see to any registration of the Aircraft or any recording or filing of this Indenture or any other document, or to see to the maintenance of any such registration, recording or filing, (b) to see to any insurance on the Aircraft or to effect or maintain any such insurance, whether or not Company is in default with respect thereto, (c) to confirm, verify or inquire into the failure to receive any financial statements of Company or (d) to inspect the Aircraft at any time or ascertain or inquire as to the performance or observance of any of Company's covenants hereunder with respect to the Aircraft.

Section 6.03 No Representations or Warranties as to the Documents. Except as provided in Article V of the Participation Agreement, Loan Trustee shall not be deemed to have made any representation or warranty as to the validity, legality or enforceability of any Operative Document or any other document or instrument, or as to the correctness of any statement (other than a statement by Loan Trustee) contained herein or therein, except that Loan Trustee hereby represents and warrants that each of said specified documents to which it is a party has been or will be duly executed and delivered by one of its officers who is and will be duly authorized to execute and deliver such document on its behalf.

Section 6.04 No Segregation of Monies; No Interest. Subject to Section 5.06 and except as provided in Section 3.07, all monies received by Loan Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but need not be segregated from other funds except to the extent required by mandatory provisions of applicable law, and neither Loan Trustee nor any agent of Loan Trustee shall be under any liability for interest on any monies received by it hereunder; provided that any payments received, or applied hereunder, by Loan Trustee shall be accounted for by Loan Trustee so that any portion thereof paid or applied pursuant hereto shall be identifiable as to the source thereof.

Section 6.05 Reliance; Agents; Advice of Counsel. Loan Trustee 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 reasonably believed by it to be genuine and reasonably believed by it to be signed by the proper party or parties. Loan Trustee may accept a copy of a resolution of the Board of Directors of any party to the Participation Agreement, certified by the Secretary or an Assistant Secretary of such party 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 any fact or matter the manner of ascertainment of which is not specifically described herein, Loan Trustee may and shall for all purposes hereof rely on a certificate, signed by a duly authorized officer of Company, as to such fact or matter, and such certificate shall constitute full protection to Loan Trustee for any action taken or omitted to be taken by it in good faith in reliance thereon. In the administration of the trusts hereunder, Loan Trustee may (a) execute any of the trusts or powers hereof and perform its powers and duties hereunder directly or through agents (including paying agents or registrars) or attorneys, and (b) at the expense of the Collateral, consult with counsel, accountants and other skilled Persons to be selected and retained by it; provided that, prior to retaining agents (including paying agents or registrars), counsel, accountants or other skilled Persons, so long as no Event of Default exists, Loan Trustee shall obtain Company's consent (such consent not to be unreasonably withheld). Loan Trustee shall not be liable for anything done, suffered or omitted in good faith by it in accordance with the advice or opinion of any such counsel, accountants or other skilled Persons acting within such counsel's, accountants' or Person's area of competence (so long as Loan Trustee shall have exercised reasonable care and judgment in selecting such Persons).

Section 6.06 Instructions from Noteholders. In the administration of the trusts created hereunder, Loan Trustee shall have the right to seek instructions from a Majority in Interest of Noteholders should any provision of this Indenture appear to conflict with any other provision herein or any other Operative Document or Pass Through Document or should Loan Trustee's duties or obligations hereunder be unclear, and Loan Trustee shall incur no liability in refraining from acting until it receives such instructions. Loan Trustee shall be fully protected for acting in accordance with any instructions received under this Section 6.06.

ARTICLE VII

Operating Covenants of Company

Section 7.01 Liens. Company will not directly or indirectly create, incur, assume or suffer to exist any Lien on or with respect to the Aircraft, its title thereto or any of its interest therein, except:

(a) the respective rights of Loan Trustee and Company as provided in the Operative Documents, the Lien of this Indenture, the rights of any Permitted Lessee under a Lease permitted hereunder and the rights of any Person existing pursuant to the Operative Documents or the Pass Through Documents;

(b) the rights of others under agreements or arrangements to the extent expressly permitted by this Indenture;

(c) Loan Trustee Liens, Noteholder Liens and Other Party Liens;

(d) Liens for Taxes either not yet overdue or being contested in good faith by appropriate proceedings so long as such proceedings do not involve any material risk of the sale, forfeiture or loss of the Airframe or any Engine or Loan Trustee's interest therein or impair the Lien of this Indenture;

(e) materialmen's, mechanics', workers', repairmen's, hangerkeeper's, landlords', employees' or other like Liens arising in the ordinary course of business (including those arising under maintenance agreements entered into in the ordinary course of business) securing obligations that either are not yet overdue for a period of more than 60 days or are being contested in good faith by appropriate proceedings so long as such proceedings do not involve any material risk of the sale, forfeiture or loss of the Airframe or any Engine or Loan Trustee's interest therein or materially impair the Lien of this Indenture;

(f) Liens arising out of any judgment or award, so long as such judgment or award is, within 60 days after the entry thereof, discharged, vacated or reversed, or execution thereof stayed pending appeal or other judicial review or is discharged, vacated or reversed within 60 days after the expiration of such stay;

(g) any other Lien with respect to which Company or any Permitted Lessee provides a bond, cash collateral or other security adequate in the reasonable opinion of Loan Trustee;

(h) salvage or similar rights of insurers under insurance policies maintained by Company or any Permitted Lessee; and

(i) Liens approved in writing by Loan Trustee with the consent of a Majority in Interest of Noteholders.

Liens described in clauses (a) through (i) above are referred to herein as "Permitted Liens". Company shall promptly, at its own expense, take (or cause to be taken) such action as may be necessary duly to discharge (by bonding or otherwise) any Lien other than a Permitted Lien arising at any time with respect to the Aircraft, its title thereto or any of its interest therein.

Section 7.02 Possession, Operation and Use, Maintenance and Registration.

(a) Possession. Without the prior written consent of Loan Trustee, Company shall not lease or otherwise in any manner deliver, transfer or relinquish possession of the Airframe or any Engine or install any Engine, or permit any Engine to be installed, on any airframe other than the Airframe; provided that Company (or, except with respect to clauses (viii) and (ix) below, any Permitted Lessee) may without the prior written consent of Loan Trustee:

(i) subject the Airframe to interchange agreements or subject any Engine to interchange, pooling, borrowing or other similar agreements or arrangements, in each case entered into by Company (or any Permitted Lessee) in the ordinary course of its business; provided that (A) no such agreement or arrangement contemplates or requires the transfer of title to the Airframe and (B) if Company's title to any such Engine is divested under any such agreement or arrangement, such divestiture shall be deemed to be an Event of Loss with respect to such Engine, and Company shall (or shall cause any Permitted Lessee to) comply with Section 7.05(b) in respect thereof;

(ii) deliver possession of the Airframe or any Engine to (x) any Person for testing, service, repair, restoration, storage, maintenance or other similar purposes or for alterations, modifications or additions to the Airframe or such Engine to the extent required or permitted by the terms hereof or (y) to any Person for purposes of transport to a Person referred to in the preceding clause (x);

(iii) transfer or permit the transfer of possession of the Airframe or any Engine to any Government pursuant to a lease, contract or other instrument;

(iv) subject the Airframe or any Engine to the CRAF Program or transfer possession of the Airframe or any Engine to the United States government in accordance with applicable laws, rulings, regulations or orders (including, without limitation, any transfer of possession pursuant to the CRAF Program); provided that Company (or any Permitted Lessee) (A) shall promptly notify Loan Trustee upon transferring possession of the Airframe or any Engine pursuant to this clause (iv) and (B) in the case of a transfer of possession pursuant to the CRAF Program, shall notify Loan Trustee of the name and address of the responsible Contracting Office Representative for the Air Mobility Command of the United States Air Force or other appropriate Person to whom notices must be given and to whom requests or claims must be made to the extent applicable under the CRAF Program;

(v) install an Engine on an airframe owned by Company (or any Permitted Lessee) free and clear of all Liens, except (A) Permitted Liens and Liens that apply only to the engines (other than Engines), appliances, parts, instruments, appurtenances, accessories, furnishings and other equipment (other than Parts) installed on such airframe (but not to the airframe as an entirety) and (B) the rights of third parties under interchange, pooling, borrowing or other similar agreements or arrangements that would be permitted under clause (i) above;

(vi) install an Engine on an airframe leased to Company (or any Permitted Lessee) or purchased or owned by Company (or any Permitted Lessee) subject to a lease, conditional sale or other security agreement; provided that: (A) such airframe is free and clear of all Liens except (1) the rights of the parties to the lease or conditional sale or other security agreement covering such airframe, or their successors and assigns, and (2) Liens of the type permitted by clause (v) of this Section 7.02(a); and (B) either: (1) Company has obtained from the lessor, conditional vendor or secured party of such airframe a written agreement (which may be a copy of the lease, conditional sale or other security agreement covering such airframe), in form reasonably satisfactory to Loan Trustee (an agreement from such lessor, conditional vendor or secured party substantially in the form of the penultimate paragraph of this Section 7.02(a) being deemed to be satisfactory to Loan Trustee), whereby such lessor, conditional vendor or secured party expressly agrees that neither it nor its successors or assigns will acquire or claim any right, title or interest in any Engine by reason of such Engine being installed on such airframe at any time while such Engine is subject to the Lien of this Indenture, or (2) such lease, conditional sale or other security agreement provides that such Engine shall not become subject to the Lien of such lease, conditional sale or other security agreement at any time while such Engine is subject to the Lien of this Indenture, notwithstanding its installation on such airframe;

(vii) install an Engine on an airframe owned by Company (or any Permitted Lessee), leased to Company (or any Permitted Lessee) or purchased by Company (or any Permitted Lessee) subject to a conditional sale or other security agreement under circumstances where neither clause (v) nor clause (vi) of this Section 7.02(a) is applicable; provided that such installation shall be deemed an Event of Loss with respect to such Engine, and Company shall comply with Section 7.05(b) in respect thereof, if such installation adversely affects Loan Trustee's security interest in such Engine, Loan Trustee not intending hereby to waive any right or interest it may have to or in such Engine under applicable law until compliance by Company with Section 7.05(b);

(viii) lease any Engine, the Airframe or the Airframe and Engines to any United States air carrier as to which there is in force a certificate issued pursuant to the Transportation Code or successor provision that gives like authority; provided that no Event of Default exists at the time such lease is entered into; and

(ix) lease any Engine, the Airframe or the Airframe and Engines to (A) any foreign air carrier that is at the inception of the lease based in and a domiciliary of a country listed in Exhibit B hereto, (B) the manufacturer of the Airframe or any Engine (either directly or through an affiliate) or (C) any foreign air carrier consented to in writing by Loan Trustee with the consent of a Majority in Interest of Noteholders; provided that (w) no Event of Default exists at the time such lease is entered into, (x) in the case of a lease to any foreign air carrier (other than a foreign air carrier principally based in Taiwan), the United States maintains normal diplomatic relations with the country in which such foreign air carrier is based at the time such lease is entered into and in the case of a lease to a foreign air carrier principally based in Taiwan, the United States maintains diplomatic relations with Taiwan at least as good as those on the Closing Date, (y) in the case of a lease to any foreign air carrier, Company furnishes Loan Trustee with a certificate from a Responsible Officer of Company certifying that there exist no possessory rights in favor of such lessee under the laws of such lessee's country which would, upon bankruptcy or insolvency of or other default by Company, and assuming at such time such lessee is not insolvent or bankrupt, prevent the taking of possession of any such Engine or the Airframe and any such Engine by Loan Trustee in accordance with and when permitted by the terms of Section 4.02 upon the exercise by Loan Trustee of its remedies under Section 4.02, and (z) in the case of any lease to a foreign air carrier, such carrier 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;

provided that the rights of any lessee or other transferee who receives possession of the Aircraft, the Airframe or any Engine by reason of a transfer permitted by this Section 7.02(a) (other than the transfer of an Engine which is deemed an Event of Loss) shall be subject and subordinate to, and any permitted lease shall be made expressly subject and subordinate to, all the terms of this Indenture, including Loan Trustee's rights to repossess pursuant to Section 4.02 and to avoid such lease upon such repossession, and Company shall remain primarily liable hereunder for the performance and observance of all of the terms and conditions of this Indenture to the same extent as if such lease or transfer had not occurred, any such lease shall include appropriate provisions for the maintenance and insurance of the Aircraft, the Airframe or such Engine, and no lease or transfer of possession otherwise in compliance with this Section shall (x) result in any registration or re-registration of the Aircraft except to the extent permitted in Section 7.02(e) or the maintenance, operation or use thereof that does not comply with Sections 7.02(b) and (c) or (y) permit any action not permitted to be taken by Company with respect to the Aircraft hereunder. Company shall promptly notify Loan Trustee and the Rating Agencies of the existence of any such lease with a term in excess of one year.

Loan Trustee, each Noteholder by acceptance of an Equipment Note, and each Related Noteholder by acceptance of a Related Equipment Note agrees, for the benefit of Company (and any Permitted Lessee) and for the benefit of the lessor, conditional vendor or secured party of any airframe or engine leased to Company (or any Permitted Lessee) or leased to or purchased or owned by Company (or any Permitted Lessee) subject to a conditional sale or other security agreement, that Loan Trustee, Noteholders and Related Noteholders will not acquire or claim, as against Company (or any Permitted Lessee) or such lessor, conditional vendor or secured party, any right, title or interest in: (A) any engine or engines owned by Company (or any Permitted Lessee) or by the lessor under such lease or subject to a security interest in favor of the conditional vendor or secured party under any conditional sale or other security agreement as the result of such engine or engines being installed on the Airframe at any time while such engine or engines are subject to such lease or conditional sale or other security agreement, or (B) any airframe owned by Company (or any Permitted Lessee) or by the lessor under such lease or subject to a security interest in favor of the conditional vendor or secured party under any conditional sale or other security agreement as the result of any Engine being installed on such airframe at any time while such airframe is subject to such lease or conditional sale or other security agreement.

Loan Trustee acknowledges that any "wet lease" or other similar arrangement under which Company (or any Permitted Lessee) maintains operational control of the Aircraft does not constitute a delivery, transfer or relinquishment of possession for purposes of this Section 7.02(a).

(b) Operation and Use. Company agrees that the Aircraft will not be used or operated in violation of any law, rule or regulation of any government of any country having jurisdiction over the Aircraft or in violation of any airworthiness certificate, license or registration relating to the Aircraft issued by any such government, except (i) immaterial or non-recurring violations with respect to which corrective measures are taken promptly by Company or a Permitted Lessee, as the case may be, upon discovery thereof or (ii) to the extent Company (or, if a Lease is then in effect, any Permitted Lessee) is contesting in good faith the validity or application of any such law, rule or regulation or airworthiness certificate, license or registration in any manner that does not involve any material risk of sale, forfeiture or loss of the Aircraft or impair the Lien of this Indenture; provided that Company shall not be in default under, or required to take any action set forth in, this sentence if it is not possible for it (or any Permitted Lessee) to comply with the laws of a jurisdiction other than the United States (or other than any jurisdiction in which the Aircraft is then registered) because of a conflict with the applicable laws of the United States (or such jurisdiction in which the Aircraft is then registered). Company shall also have the right to operate the Aircraft without having on board the original registration certificate or airworthiness certificate in the event that either or both such certificates disappear from the Aircraft, but only to the extent permitted by Exemption No. 5318 of the regulations of the FAA or other similar exemption. Company will not operate the Aircraft, or permit the Aircraft to be operated or located, (i) in any area excluded from coverage by any insurance required by the terms of Section 7.06 or (ii) in any war zone or recognized or, in Company's judgment, threatened areas of hostilities unless covered by war risk insurance in accordance with Section 7.06, unless in the case of either clause (i) or (ii), (x) government indemnification complying with Sections 7.06(a) and (b) has been provided or (y) the Aircraft is only temporarily located in such area as a result of an isolated occurrence or isolated series of occurrences attributable to a hijacking, medical emergency, equipment malfunction, weather conditions, navigational error or other similar circumstances or any other circumstances beyond the reasonable control of Company (or any Permitted Lessee) and Company (or any Permitted Lessee) is using its good faith efforts to remove the Aircraft from such area as promptly as practicable.

(c) Maintenance. Company shall maintain, service, repair and overhaul the Aircraft (or cause the same to be done) (i) so as to keep the Aircraft in good operating condition and in such condition as may be necessary to enable the airworthiness certification of the Aircraft to be maintained in good standing at all times (other than (v) during temporary periods of storage, during maintenance, testing or modification permitted hereunder, (w) during periods of grounding by applicable governmental authorities, (x) during periods when the FAA or such other aviation authority has revoked or suspended the airworthiness certificates for aircraft of the same manufacturer and model as the Aircraft, (y) with respect to minor or non-recurring violations with respect to which corrective measures are taken promptly upon discovery thereof and (z) to the extent Company or any Permitted Lessee is promptly contesting in good faith the validity or application of any law or requirement relating to any such certification in any manner which does not create a material risk of sale, loss or forfeiture of the Aircraft, the Airframe or any Engine or the interest of Loan Trustee therein or any material risk of criminal liability or material civil penalty against Loan Trustee) under the Transportation Code, during such periods in which the Aircraft is registered under the laws of the United States, or, if the Aircraft is registered under the laws of any other jurisdiction, the applicable laws of such jurisdiction and (ii) using the same standards as Company (or a Permitted Lessee, if a Lease is in effect) uses with respect to similar aircraft operated by Company (or such Permitted Lessee) in similar circumstances (it being understood that the obligations pursuant to this clause (ii) do not limit Company's obligations under the preceding clause (i)). In any case, the Aircraft will be maintained in accordance with the maintenance standards required by the FAA (while operated under an FAA-approved maintenance program) or, while operated under the maintenance program of another jurisdiction, standards substantially equivalent to those required by the central aviation authority of Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, the Netherlands, New Zealand, Norway, Spain, Sweden, Switzerland or the United Kingdom. Company shall maintain or cause to be maintained all records, logs and other documents required to be maintained in respect of the Aircraft by appropriate authorities in the jurisdiction in which the Aircraft is registered.

(d) Identification of Loan Trustee's Interest. If not prevented by applicable law or regulations or by any government, Company agrees to affix as promptly as practicable after the Closing Date and thereafter to maintain in the cockpit of the Aircraft, in a clearly visible location, and on each Engine, a nameplate bearing the inscription "MORTGAGED TO WILMINGTON TRUST COMPANY, AS LOAN TRUSTEE" (such nameplate to be replaced, if necessary, with a nameplate reflecting the name of any successor Loan Trustee). Such placards may be removed temporarily, if necessary, in the course of maintenance of the Airframe or Engines.

(e) Registration. Company shall cause the Aircraft to remain duly registered, under the laws of the United States, in the name of Company except as otherwise required by the Transportation Code; provided that Loan Trustee shall, at Company's expense, execute and deliver all such documents as Company may reasonably request for the purpose of continuing such registration. Notwithstanding the preceding sentence, Company, at its own expense, may cause or allow the Aircraft to be duly registered under the laws of any foreign jurisdiction in which a Permitted Lessee could be principally based, in the name of Company or of any nominee of Company, or, if required by applicable law, in the name of any other Person (and, following any such foreign registration, may cause the Aircraft to be re-registered under the laws of the United States); provided that in the case of jurisdictions other than those approved by Loan Trustee with the consent of a Majority in Interest of Noteholders (i) if such jurisdiction is at the time of registration listed on Exhibit B, Loan Trustee shall have received at the time of such registration an opinion of counsel to Company to the effect that (A) this Indenture and Loan Trustee's right to repossession hereunder is valid and enforceable under the laws of such country, (B) after giving effect to such change in registration, the Lien of this Indenture shall continue as a valid Lien and shall be duly perfected in the new jurisdiction of registration and that all filing, recording or other action necessary to perfect and protect the Lien of this Indenture has been accomplished (or if such opinion cannot be given at such time, (x) the opinion shall detail what filing, recording or other action is necessary and (y) Loan Trustee shall have received a certificate from a Responsible Officer of Company that all possible preparations to accomplish such filing, recording and other action shall have been done, and such filing, recording and other action shall be accomplished and a supplemental opinion to that effect shall be promptly delivered to Loan Trustee subsequent to the effective date of such change in registration), (C) the obligations of Company under this Indenture shall remain valid, binding and (subject to customary bankruptcy and equitable remedies exceptions and to other exceptions customary in foreign opinions generally) enforceable under the laws of such jurisdiction (or the laws of the jurisdiction to which the laws of such jurisdiction would refer as the applicable governing law), (D) all approvals or consents of any government in such jurisdiction having jurisdiction required for such change in registration shall have been duly obtained and shall be in full force and effect and (E) (unless Company shall have agreed to provide insurance covering the risk of requisition of use or title of the Aircraft by the government of such jurisdiction so long as the Aircraft is registered under the laws of such jurisdiction) the laws of such jurisdiction require fair compensation by the government of such jurisdiction payable in currency freely convertible into Dollars for the loss of use or title of the Aircraft in the event of requisition by such government of such use or title, and (ii) if such jurisdiction is at the time of registration not listed on Exhibit B, Loan Trustee shall have received (in addition to the opinions set forth in clause (i) above) at the time of such registration an opinion of counsel to Company to the effect that (A) the terms of this Indenture are legal, valid, binding and enforceable in such jurisdiction (subject to exceptions customary in such jurisdiction; provided that, subject to exceptions relating to bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally and exceptions relating to general principles of equity, such counsel shall opine that any applicable laws limiting the remedies provided in Section 4.02 do not in the opinion of such counsel make the remedies provided in Section 4.02 inadequate for the practical realization of the rights and benefits provided thereby), (B) it is not necessary for Loan Trustee to register or qualify to do business in such jurisdiction and (C) there is no tort liability of the lender of an aircraft not in possession thereof under the laws of such jurisdiction other than tort liability that might have been imposed on such lender under the laws of the United States or any state thereof (it being understood that such opinion shall be waived if insurance reasonably satisfactory to Loan Trustee is provided, at Company's expense, to cover such risk). Loan Trustee will cooperate with Company in effecting such foreign registration. Notwithstanding the foregoing, prior to any such change in the country of registry of the Aircraft, the following conditions shall be met (or waived as provided in Section 6.01(b) of the Participation Agreement):

(i) no Event of Default shall have occurred and be continuing at the effective date of the change in registration; provided that it shall not be necessary to comply with this condition if the change in registration results in the registration of the Aircraft under the laws of the United States or if a Majority in Interest of Noteholders consents to such change in registration;

(ii) Loan Trustee shall have received evidence of compliance with the insurance provisions contained herein after giving effect to such change in registration;

(iii) other than in the case of a change in registration to Taiwan, the proposed change in registration is made to a country with which the United States then maintains normal diplomatic relations, and in the case of a change in registration to Taiwan, the United States maintains diplomatic relations with Taiwan at least as good as those on the Closing Date; and

(iv) Company shall have paid or made provision reasonably satisfactory to Loan Trustee for the payment of all reasonable expenses (including reasonable attorneys' fees) of Loan Trustee and Noteholders in connection with such change in registration.

Company shall (i) from time to time, take such actions as may be required to be taken by Company so that any International Interest arising in relation to this Indenture, the Aircraft, any Replacement Aircraft, any Engine or Replacement Engine may be duly registered (and any such registration may be assigned, amended, extended or discharged) at the International Registry, and (ii) obtain from the International Registry all approvals as may be required duly and timely to perform Company's obligations under this Indenture with respect to the registration of any such International Interest. Loan Trustee shall take all actions necessary with respect to the International Registry to consent to Company's initiation of any registrations required under this Indenture to enable Company to complete such registrations, including, without limitation, appointing Crowe & Dunlevy, a Professional Corporation (or another qualified FAA counsel), as its "professional user entity" (as defined in the Cape Town Treaty) to consent to any registrations on the International Registry with respect to the Airframe or any Engine.

Section 7.03 Inspection; Financial Information.

(a) Inspection. At all reasonable times, but upon at least 15 Business Days' prior written notice to Company, Loan Trustee or its authorized representatives may, subject to the other conditions of this Section 7.03(a), inspect the Aircraft and may inspect the books and records of Company relating to the maintenance of the Aircraft required to be maintained by the FAA or the government of another jurisdiction in which the Aircraft is then registered; provided that (i) Loan Trustee or its representatives, as the case may be, shall be fully insured at no cost to Company or any Permitted Lessee in a manner satisfactory to Company and such Permitted Lessee with respect to any risks incurred in connection with any such inspection or shall provide to Company and such Permitted Lessee a written release satisfactory to Company and such Permitted Lessee with respect to such risks, (ii) any such inspection shall be during Company's or Permitted Lessee's, as the case may be, normal business hours and subject to the safety, security and workplace rules applicable at the location where such inspection is conducted and any applicable governmental rules or regulations, (iii) any such inspection of the Aircraft shall be a visual, walk-around inspection of the interior and exterior of the Aircraft and shall not include opening any panels, bays or the like without Company's express consent, which consent Company may in its sole discretion withhold, and (iv) no exercise of such inspection right shall interfere with the use, operation or maintenance of the Aircraft by, or the business of, Company or any Permitted Lessee and Company and any Permitted Lessee shall not be required to undertake or incur any additional liabilities in connection therewith. All information obtained in connection with any such inspection of the Aircraft and of such books and records shall be Confidential Information and shall be treated by Loan Trustee and its representatives in accordance with the provisions of Section 10.16. Any inspection pursuant to this Section 7.03(a) shall be at the sole risk (including, without limitation, any risk of personal injury or death) and expense of Loan Trustee (or its representatives) making such inspection. Except during the continuance of an Event of Default, all inspections by Loan Trustee and its representatives provided for under this Section 7.03(a) shall be limited to one inspection of any kind contemplated by this Section 7.03(a) during any consecutive twelve month period.

(b) Financial Information. So long as any of the Secured Obligations remain unpaid, Company agrees to furnish to Loan Trustee: (i) within 60 days after the end of each of the first three quarterly periods in each fiscal year of Company or FedEx Corporation, as applicable, either (x) a consolidated balance sheet of Company and its consolidated subsidiaries prepared by it as of the close of such period, together with the related consolidated statements of income for such period or (y) a report of FedEx Corporation on Form 10-Q in respect of such period in the form filed with the Securities and Exchange Commission and (ii) within 120 days after the close of each fiscal year of Company or FedEx Corporation, as applicable, either (x) a consolidated balance sheet of Company and its consolidated subsidiaries as of the close of such fiscal year, together with the related consolidated statements of income for such fiscal year, certified by independent public accountants, or (y) a report of FedEx Corporation on Form 10-K in respect of such year in the form filed with the Securities and Exchange Commission. The items required to be furnished pursuant to clause (i) and clause (ii) above shall be deemed to have been furnished on the date on which such item is posted on the Securities and Exchange Commission's website at www.sec.gov, and such posting shall be deemed to satisfy the requirements of clause (i) and clause (ii); provided that Company will deliver a paper copy of any item referred to in clause (i) and clause (ii) above if Loan Trustee so requests.

Section 7.04 Replacement and Pooling of Parts; Alterations, Modifications and Additions; Substitution of Airframe and Engines.

(a) Replacement of Parts. Company shall (or shall cause a Permitted Lessee to) promptly replace or cause to be replaced all Parts incorporated or installed in or attached to the Airframe or any Engine and that become worn out, lost, stolen, destroyed, seized, confiscated, damaged beyond repair or rendered permanently unfit for use for any reason, except as otherwise provided in Section 7.04(c) or if the Airframe or an Engine to which a Part relates has suffered an Event of Loss. In addition, Company (or any Permitted Lessee) may remove (or cause to be removed) in the ordinary course of maintenance, service, repair, overhaul or testing, any Parts, whether or not worn out, lost, stolen, destroyed, seized, confiscated, damaged beyond repair or rendered permanently unfit for use; provided that Company (or any Permitted Lessee), except as otherwise provided in Section 7.04(c), will replace such Parts as promptly as practicable. All replacement Parts shall be free and clear of all Liens (except for Permitted Liens and except in the case of replacement property temporarily installed on an emergency basis) and shall be in the condition and repair required to be maintained by the terms hereof. Except as otherwise provided in Section 7.04(c), any Part removed from the Airframe or any Engine shall remain subject to the Lien of this Indenture no matter where located until it is replaced by a part incorporated or installed in or attached to the Airframe or such Engine that meets the requirements for replacement Parts specified above. Immediately upon any replacement Part becoming incorporated or installed in or attached to the Airframe or any Engine as above provided (except in the case of replacement property temporarily installed on an emergency basis), without further act, (i) the replaced Part shall thereupon be free and clear of all rights of Loan Trustee and of the Lien of this Indenture and shall no longer be deemed a Part hereunder, and (ii) such replacement Part shall become subject to the Lien of this Indenture and be deemed a Part of the Airframe or such Engine for all purposes to the same extent as the Parts originally incorporated or installed in or attached to the Airframe or such Engine. Upon request of Company from time to time, Loan Trustee shall execute and deliver to Company instruments reasonably requested by Company confirming the release of any such replaced Part from the Lien of this Indenture.

(b) Pooling of Parts. Any Part removed from the Airframe or any Engine as provided in Section 7.04(a) may be subjected by Company or a Person permitted to be in possession of the Airframe or such Engine to a pooling arrangement entered into in the ordinary course of Company's or such Person's business; provided that the part replacing such removed Part shall be incorporated or installed in or attached to the Airframe or such Engine in accordance with Section 7.04(a) as promptly as practicable after the removal of such removed Part. In addition, any replacement Part when incorporated or installed in or attached to the Airframe or any Engine may be owned by any third party subject to such a pooling arrangement; provided that Company, at its expense, as promptly thereafter as practicable either (i) causes title to such replacement Part to vest in Company free and clear of all Liens (except Permitted Liens), or (ii) replaces (or causes to be replaced) such replacement Part by incorporating or installing in or attaching to the Airframe or such Engine a further replacement Part in the manner contemplated by Section 7.04(a).

(c) Alterations, Modifications and Additions. Company will, or will cause a Permitted Lessee to, make (or cause to be made) such alterations and modifications in and additions to the Airframe and the Engines as are required from time to time to meet the applicable requirements of the FAA or any applicable government of any other jurisdiction in which the Aircraft is then registered; except for (i) immaterial and non-recurring violations with respect to which corrective measures are being taken promptly by Company (or, if a Lease is then in effect, any Permitted Lessee) upon discovery thereof and (ii) any law, rule, regulation or order the validity or application of which is being contested in good faith by Company (or, if a Lease is then in effect, any Permitted Lessee) in any manner which does not involve any material risk of sale, loss or forfeiture of the Aircraft and does not materially adversely affect Loan Trustee's interest in the Aircraft. In addition, Company (or any Permitted Lessee), at its own expense, may from time to time add further parts or accessories and make or cause to be made such alterations and modifications in and additions to the Airframe or any Engine as Company (or any Permitted Lessee) deems desirable in the proper conduct of its business, including, without limitation, removal (without replacement) of Parts; provided that no such alteration, modification or addition shall materially diminish the value or utility of the Airframe or such Engine below its value or utility immediately prior to such alteration, modification or addition, assuming that the Airframe or such Engine was then in the condition required to be maintained by the terms of this Indenture, except that the value (but not the utility) of the Airframe or any Engine may be reduced by the value of any such Parts that are removed that Company (or such Permitted Lessee) deems obsolete or no longer suitable or appropriate for use on the Airframe or any Engine. All Parts incorporated or installed in or attached or added to the Airframe or any Engine as the result of such alteration, modification or addition shall, without further act, be subject to the Lien of this Indenture. Notwithstanding the foregoing, Company (or any Permitted Lessee) may, at any time, remove any Part from the Airframe or any Engine if such Part: (i) is in addition to, and not in replacement of or substitution for, any Part originally incorporated or installed in or attached to the Airframe or such Engine at the time of delivery thereof to Company or any Part in replacement of, or substitution for, any such Part, (ii) is not required to be incorporated or installed in or attached or added to the Airframe or such Engine pursuant to the first sentence of this Section 7.04(c) and (iii) can be removed from the Airframe or such Engine without materially diminishing the value or utility required to be maintained by the terms of this Indenture that the Airframe or such Engine would have had had such Part never been installed on the Airframe or such Engine. Upon the removal by Company (or any Permitted Lessee) of any Part as permitted by this Section 7.04(c), such removed Part shall, without further act, be free and clear of all rights and interests of Loan Trustee and the Lien of this Indenture and shall no longer be deemed a Part hereunder. Upon request of Company from time to time, Loan Trustee shall execute and deliver to Company instruments reasonably requested by Company confirming the release of any such removed Part from the Lien of this Indenture. Loan Trustee and each Noteholder by acceptance of and Equipment Note acknowledges that it has no interest in the Excluded Equipment. Notwithstanding the provisions of this Section 7.04(c) or any other term or condition of this Indenture, Company (or any Permitted Lessee) may from time to time install on, and remove from, the Aircraft equipment that is owned by, leased to or conditionally sold to Company (or any Permitted Lessee) (and title to such equipment shall remain vested in Company, such Permitted Lessee, or the lessor or the conditional vendor thereof) if (1) such equipment is Excluded Equipment and (2) the location affected by any such removal, if damaged, is repaired prior to return, in a workmanlike manner, to a condition suitable for use in the Company's business; provided that all costs of installation, removal and replacement shall be the responsibility of Company.

(d) Substitution of Engines. Company shall have the right at its option at any time and from time to time, on at least 30 days' prior written notice to Loan Trustee, to substitute a Replacement Engine for any Engine. In such event, and prior to the date of such substitution, Company shall replace such Engine by complying with the terms of Section 7.05(b) to the same extent as if an Event of Loss had occurred with respect to such Engine.

(e) Substitution of Airframe. Company shall have the right at its option at any time and from time to time, on at least ten Business Days' prior written notice to Loan Trustee, to substitute a Substitute Airframe, free and clear of all Liens (other than Permitted Liens), for the Airframe so long as (i) no Event of Default shall have occurred and be continuing at the time of substitution, (ii) the Substitute Airframe has a date of manufacture no earlier than one year prior to the date of manufacture of the Airframe subject to the Lien of this Indenture on the Closing Date (each such date of manufacture, in each case, to be deemed to be the date of original delivery of the applicable airframe to a customer by the Manufacturer) and (iii) the Substitute Airframe has a MCMV (as defined below) at least equal to the MCMV of the Airframe being replaced by the Substitute Airframe (assuming that the Airframe had been maintained in accordance with this Indenture), in each case as determined by a desktop appraisal dated as of a date within the 60-day period prior to the substitution performed by an Appraiser selected by Company. "MCMV" is the "current market value" (as defined by the International Society of Transport Aircraft Trading or any successor organization) adjusted for the maintenance status of the Substitute Airframe and the Airframe being replaced by the Substitute Airframe, as applicable, such maintenance status to be based upon maintenance data provided by Company to the applicable Appraiser with respect to the Substitute Airframe and such Airframe as of the same date within the 60-day period prior to the substitution for both the Substitute Airframe and such Airframe.

Prior to or at the time of any substitution under this Section 7.04(e), Company will (A) cause an Indenture Supplement covering such Substitute Airframe to be delivered to Loan Trustee for execution and, upon such execution, to be filed for recordation pursuant to the Transportation Code or the applicable laws of any other jurisdiction in which the Aircraft may then be registered, (B) cause the sale of such Substitute Airframe to Company (if occurring after February 28, 2006 and if the seller of such Substitute Airframe is "situated in" a country that has ratified the Cape Town Convention) and the International Interest created pursuant to the Indenture Supplement in favor of Loan Trustee with respect to such Substitute Airframe to be registered on the International Registry as a sale or an International Interest, respectively; provided that if the seller of such Substitute Airframe is not situated in a country that has ratified the Cape Town Convention, Company will use its reasonable efforts to cause the seller to register the contract of sale on the International Registry, (C) cause a financing statement or statements with respect to such Substitute Airframe or other requisite documents or instruments to be filed in such place or places as necessary in order to perfect Loan Trustee's interest therein in the United States, or in any other jurisdiction in which the Aircraft may then be registered, (D) furnish Loan Trustee with an opinion of counsel to Company (which may be internal counsel of Company) addressed to Loan Trustee to the effect that upon such substitution, such Substitute Airframe will be subject to the Lien of this Indenture and addressing the matters set forth in clauses (A), (B) and (C), (E) furnish Loan Trustee with evidence of compliance with the insurance provisions of Section 7.06 with respect to such Substitute Airframe, (F) furnish Loan Trustee with a copy of the original bill of sale in respect of such Substitute Airframe, and (G) furnish Loan Trustee with an opinion of counsel to Company (which may be internal counsel of Company) in form reasonably satisfactory to Loan Trustee to the effect that Loan Trustee will be entitled to the benefits of Section 1110 with respect to the Substitute Airframe; provided that (i) such opinion need not be delivered to the extent that the benefits of Section 1110 were not, by reason of a change in law or governmental or judicial interpretation thereof, available to Loan Trustee with respect to the Aircraft immediately prior to such substitution and (ii) such opinion may contain qualifications and assumptions of the tenor contained in the opinion of counsel to Company delivered pursuant to Section 3.01 of the Participation Agreement on the Closing Date and such other qualifications and assumptions as shall at the time be customary in opinions rendered in comparable circumstances.

In the case of the Substitute Airframe subjected to the Lien of this Indenture under this Section 7.04(e), promptly upon the recordation of the Indenture Supplement covering such Substitute Airframe pursuant to the Transportation Code (or pursuant to the applicable law of such other jurisdiction in which such Substitute Airframe is registered), Company will cause to be delivered to Loan Trustee a favorable opinion of aviation law counsel to Company (which may be internal counsel of Company) addressed to Loan Trustee as to the due registration of the aircraft to which the Substitute Airframe is part and the due recordation of such Indenture Supplement or such other requisite documents or instruments, the registration with the International Registry of the sale of such Substitute Airframe to Company (if occurring after February 28, 2006 and if the seller of such Substitute Airframe is "situated in" a country that has ratified the Cape Town Convention) and of the International Interests created pursuant to the Indenture Supplement with respect to such Substitute Airframe and the validity and perfection of the security interest in the Substitute Airframe granted to Loan Trustee under this Indenture.

For all purposes hereof, upon the attachment of the Lien of this Indenture thereto, the Substitute Airframe shall become part of the Collateral and shall be deemed an "Airframe" as defined herein. Upon compliance with clauses (A) through (G) of the second preceding paragraph, Loan Trustee shall execute and deliver to Company an appropriate instrument releasing the replaced Airframe, all proceeds (including, without limitation, insurance proceeds, if any), the Warranty Rights in respect of such replaced Airframe and all rights relating to the foregoing, from the Lien of this Indenture, and will take such actions as may be required to be taken by Loan Trustee to cancel or release any International Interest of Loan Trustee registered with the International Registry in relation to such replaced Airframe.

Section 7.05 Loss, Destruction or Requisition.

(a) Event of Loss with Respect to the Airframe. Upon the occurrence of an Event of Loss with respect to the Airframe or the Airframe and the Engines then installed thereon, Company shall as soon as practicable (and, in any event, within 30 days after an Event of Loss has occurred) notify Loan Trustee of such Event of Loss, and, within 90 days after such Event of Loss, Company shall give Loan Trustee written notice of its election to perform one of the following options (it being agreed that if Company has not given such notice of election within such 90-day period, Company shall be deemed to have elected to perform the option set forth in the following clause (ii)). Company may elect either to:

(i) substitute, on or before the Loss Payment Date (as defined below), as replacement for the Airframe or Airframe and Engines with respect to which an Event of Loss has occurred, a Replacement Airframe (together with a number of Replacement Engines equal to the number of Engines, if any, with respect to which the Event of Loss occurred), such Replacement Airframe and Replacement Engines to be owned by Company free and clear of all Liens (other than Permitted Liens); provided that if Company has not performed such obligation on or prior to the Loss Payment Date, then Company shall on the Loss Payment Date redeem the Equipment Notes in full in accordance with Section 2.10; or

(ii) redeem, on or before the Loss Payment Date, the Equipment Notes in full in accordance with Section 2.10. Company shall give Loan Trustee 20 days' prior written notice if it elects to redeem the Equipment Notes on any day prior to the Loss Payment Date.

The "Loss Payment Date" with respect to an Event of Loss means the Business Day next succeeding the 120th day following the date of occurrence of such Event of Loss.

If Company elects to substitute a Replacement Airframe (or a Replacement Airframe and one or more Replacement Engines, as the case may be) Company shall, at its sole expense, not later than the Loss Payment Date, (A) cause an Indenture Supplement for such Replacement Airframe and Replacement Engines, if any, to be delivered to Loan Trustee for execution and, upon such execution, to be filed for recordation pursuant to the Transportation Code or the applicable laws of such other jurisdiction in which the Aircraft is then registered, (B) cause the sale of such Replacement Airframe and Replacement Engines, if any, to Company (if occurring after February 28, 2006 and if the seller of such Replacement Airframe and Replacement Engines, if any, is "situated in" a country that has ratified the Cape Town Convention) and the International Interest created pursuant to the Indenture Supplement in favor of Loan Trustee with respect to such Replacement Airframe and Replacement Engines, if any, each to be registered on the International Registry as a sale or an International Interest, respectively; provided that if the seller of such Replacement Airframe and Replacement Engines, if any, is not situated in a country that has ratified the Cape Town Convention, Company will use its reasonable efforts to cause the seller to register the contract of sale on the International Registry, (C) cause a financing statement or statements with respect to the Replacement Airframe and Replacement Engines, if any, or other requisite documents or instruments to be filed in such place or places as necessary in order to perfect Loan Trustee's interest therein in the United States, or in any other jurisdiction in which the Aircraft is then registered, (D) furnish Loan Trustee with an opinion of Company's counsel (which may be internal counsel of Company) addressed to Loan Trustee to the effect that upon such replacement, such Replacement Airframe and Replacement Engines, if any, will be subject to the Lien of this Indenture and addressing the matters set forth in clauses (A), (B) and (C), (E) furnish Loan Trustee with a certificate of an independent aircraft engineer or appraiser, certifying that the Replacement Airframe and Replacement Engines, if any, have a value and utility at least equal to (but in any event without regard to component modification status or the number of hours or cycles, in either case since new, since any particular overhaul or maintenance visit or remaining until any particular overhaul or maintenance visit) the Airframe and Engines, if any, so replaced, assuming the Airframe and such Engines were in the condition and repair required by the terms hereof immediately prior to the occurrence of such Event of Loss, (F) furnish Loan Trustee with evidence of compliance with the insurance provisions of Section 7.06 with respect to such Replacement Airframe and Replacement Engines, if any, (G) furnish Loan Trustee with a copy of the original bill of sale in respect of such Replacement Airframe and a copy of the original bill of sale or, if the bill of sale is unavailable, other evidence of ownership in form reasonably satisfactory to Loan Trustee (which may be a copy of an invoice or purchase order) in respect of such Replacement Engines, if any, and (H) furnish Loan Trustee with an opinion of Company's counsel (which may be internal counsel of Company) in form reasonably satisfactory to Loan Trustee to the effect that Loan Trustee will be entitled to the benefits of Section 1110 with respect to the Replacement Airframe; provided that (i) such opinion need not be delivered to the extent that the benefits of Section 1110 were not, by reason of a change in law or governmental or judicial interpretation thereof, available to Loan Trustee with respect to the Aircraft immediately prior to such substitution and (ii) such opinion may contain qualifications and assumptions of the tenor contained in the Section 1110 opinion of Company's counsel delivered pursuant to Section 3.01 of the Participation Agreement on the Closing Date and such other qualifications and assumptions as are at the time customary in opinions rendered in comparable circumstances.

In the case of each Replacement Airframe or Replacement Airframe and one or more Replacement Engines subjected to the Lien of this Indenture under this Section 7.05(a), promptly upon the recordation of the Indenture Supplement covering any such Replacement Airframe and Replacement Engines, if any, pursuant to the Transportation Code (or pursuant to the applicable law of such other jurisdiction in which such Replacement Airframe and Replacement Engines, if any, are registered), Company will cause to be delivered to Loan Trustee a favorable opinion of FAA counsel selected by Company if at the time of the Event of Loss the Aircraft was registered under the laws of the United States (or, if at the time of the Event of Loss the Aircraft was registered under the laws of another jurisdiction, counsel qualified to opine on matters of registration in such jurisdiction selected by Company, which counsel shall be reasonably satisfactory to Loan Trustee) addressed to Loan Trustee as to the due registration of such Replacement Aircraft and the due recordation of such Indenture Supplement or such other requisite documents or instruments, the registration with the International Registry of the sale of such Replacement Airframe and Replacement Engines, if any, to Company (if occurring after February 28, 2006 and if the seller of such Replacement Airframe and Replacement Engines, if any, is "situated in" a country that has ratified the Cape Town Convention) and of the International Interests created pursuant to the Indenture Supplement with respect to such Replacement Airframe and Replacement Engines, if any, and the validity and perfection of the security interest in the Replacement Aircraft granted to Loan Trustee under this Indenture.

For all purposes hereof, upon the attachment of the Lien of this Indenture thereto, the Replacement Aircraft and Replacement Engines, if any, shall become part of the Collateral, the Replacement Airframe shall be deemed an "Airframe" as defined herein, and each such Replacement Engine shall be deemed an "Engine" as defined herein. Upon compliance with clauses (A) through (H) of the third paragraph of this Section 7.05(a), Loan Trustee shall execute and deliver to Company instruments reasonably requested by Company releasing such replaced Airframe and Engines (if any) installed thereon at the time such Event of Loss occurred, all proceeds (including, without limitation, insurance proceeds), the Warranty Rights in respect of such replaced Airframe and Engines (if any) and all rights relating to the foregoing, from the Lien of this Indenture and assigning to Company all claims against third Persons for damage to or loss of the Airframe and Engines arising from the Event of Loss, and will take such actions as may be required to be taken by Loan Trustee to cancel or release any International Interest of Loan Trustee registered with the International Registry in relation to the replaced Airframe and replaced Engines, if any.

If, after an Event of Loss, Company performs the option set forth in clause (ii) of the first paragraph of this Section 7.05(a), Loan Trustee shall execute and deliver to Company instruments reasonably requested by Company releasing the Aircraft, all proceeds (including, without limitation, insurance proceeds), the Warranty Rights in respect of the Aircraft and all rights relating to the foregoing from the Lien of this Indenture and assigning to Company all claims against third Persons for damage to or loss of the Aircraft arising from the Event of Loss, and will take such actions as may be required to be taken by Loan Trustee to cancel or release any International Interest of Loan Trustee registered with the International Registry in relation to the Airframe and Engines, if any, with respect to which such Event of Loss occurred.

(b) Event of Loss with Respect to an Engine. As soon as practicable following the occurrence of an Event of Loss with respect to an Engine under circumstances in which there has not occurred an Event of Loss with respect to the Airframe, Company shall give Loan Trustee prompt written notice thereof and shall, within 120 days after the occurrence of such Event of Loss, cause to be subjected to the Lien of this Indenture, as replacement for the Engine with respect to which such Event of Loss occurred, a Replacement Engine free and clear of all Liens (other than Permitted Liens).

Prior to or at the time of any replacement under this Section 7.05(b), Company will (i) cause an Indenture Supplement covering such Replacement Engine to be delivered to Loan Trustee for execution and, upon such execution, to be filed for recordation pursuant to the Transportation Code or the applicable laws of any other jurisdiction in which the Aircraft is then registered, (ii) furnish Loan Trustee with a copy of the original bill of sale or, if the bill of sale is unavailable, other evidence of ownership in form reasonably satisfactory to Loan Trustee (which may be a copy of an invoice or purchase order) in respect of such Replacement Engine, which in the case of any such conveyance to which the Cape Town Convention is applicable shall be in such form as will qualify as "contract of sale" pursuant to Article V of the Aircraft Protocol, and all documents required under the Operative Documents to establish, continue, confirm, register and/or perfect the interests of Loan Trustee in such Replacement Engine, (iii) cause the sale of such Replacement Engine to Company (if occurring after February 28, 2006 and if the seller of such Replacement Engine is "situated in" a country that has ratified the Cape Town Convention) and the International Interest created pursuant to the Indenture Supplement in favor of Loan Trustee with respect to such Replacement Engine, each to be registered on the International Registry as a sale or an International Interest, respectively; provided that if the seller of such Replacement Engine is not situated in a country that has ratified the Cape Town Convention, Company will use its reasonable efforts to cause the seller to register the contract of sale on the International Registry, (iv) cause a financing statement or statements with respect to such Replacement Engine or other requisite documents or instruments to be filed in such place or places as necessary in order to perfect Loan Trustee's interest therein in the United States, or in such other jurisdiction in which the Engine is then registered, (v) furnish Loan Trustee with an opinion of Company's counsel (which may be internal counsel of Company) addressed to Loan Trustee to the effect that, upon such replacement, the Replacement Engine will be subject to the Lien of this Indenture, (vi) furnish Loan Trustee with a certificate of an aircraft engineer or appraiser (who may be an employee of Company) certifying that such Replacement Engine has a value and utility at least equal to (but in any event without regard to component modification status or the number of hours or cycles, in either case since new, since any particular overhaul or maintenance visit or remaining until any particular overhaul or maintenance visit) the Engine so replaced assuming such Engine was in the condition and repair required by the terms hereof immediately prior to the occurrence of such Event of Loss and (vii) furnish Loan Trustee with evidence of compliance with the insurance provisions of Section 7.06 with respect to such Replacement Engine. In the case of each Replacement Engine subjected to the Lien of this Indenture under this Section 7.05(b), promptly upon the recordation of the Indenture Supplement covering such Replacement Engine pursuant to the Transportation Code (or pursuant to the applicable law of such other jurisdiction in which the Aircraft is registered), Company will cause to be delivered to Loan Trustee an opinion of FAA counsel selected by Company if at the time of the Event of Loss the Aircraft was registered under the laws of the United States (or, if at the time of the Event of Loss the Aircraft was registered under the laws of another jurisdiction, counsel qualified to opine on matters of registration in such jurisdiction selected by Company, which counsel shall be reasonably satisfactory to Loan Trustee) addressed to Loan Trustee as to the due recordation of such Indenture Supplement or such other requisite documents or instruments, the registration with the International Registry of the sale of such Replacement Engine to Company (if occurring after February 28, 2006 and if the seller of such Replacement Engine is "situated in" a country that has ratified the Cape Town Convention) and of the International Interest created pursuant to the Indenture Supplement with respect to such Replacement Engine and the validity and perfection of the security interest in the Replacement Engine granted to Loan Trustee under this Indenture. For all purposes hereof, upon the attachment of the Lien of this Indenture thereto, the Replacement Engine shall become part of the Collateral and shall be deemed an "Engine" as defined herein. Upon compliance with clauses (i) through (vii) of the first sentence of this paragraph, Loan Trustee shall execute and deliver to Company instruments reasonably requested by Company releasing such replaced Engine, any proceeds (including, without limitation, insurance proceeds), the Warranty Rights in respect of such replaced Engine and all rights relating to any of the foregoing from the Lien of this Indenture and assigning to Company all claims against third Persons for damage to or loss of such Engine arising from the Event of Loss, and will take such actions as may be required to be taken by Loan Trustee to cancel or release any International Interest of Loan Trustee registered with the International Registry in relation to the Engines with respect to which such Event of Loss occurred.

(c) Application of Payments for Event of Loss from Requisition of Title or Use. Any payments other than insurance proceeds (the application of which is provided for in Section 7.06) received at any time by Company or by Loan Trustee from any government or other Person with respect to an Event of Loss to the Airframe or any Engine, will be applied as follows:

(i) if such payments are received with respect to the Airframe or the Airframe and any Engines installed on the Airframe that has been or is being replaced by Company pursuant to Section 7.05(a), such payments shall be paid over to, or retained by, Loan Trustee and upon completion of such replacement shall be paid over to, or retained by, Company;

(ii) if such payments are received with respect to the Airframe or the Airframe and any Engines installed on the Airframe that has not been and will not be replaced pursuant to Section 7.05(a), so much of such payments remaining after reimbursement of Loan Trustee for its actual and reasonable out-of-pocket costs and expenses that shall not exceed the amounts required to be paid by Company to Noteholders pursuant to Section 2.10 shall be applied in reduction of Company's obligation to pay such amounts, if not already paid by Company, or, if already paid by Company, shall be applied to reimburse Company for its payment of such amount and the balance, if any, of such payment remaining thereafter will be paid over to, or retained by, Company; and

(iii) if such payments are received with respect to an Engine with regard to which an Event of Loss has occurred, so much of such payments remaining after reimbursement of Loan Trustee for its actual and reasonable out-of-pocket costs and expenses shall be paid over to, or retained by, Company; provided that Company has fully performed its obligations under Section 7.05(b) with respect to the Event of Loss for which such payments are made.

(d) Requisition for Use by the Government of the Airframe and the Engines Installed Thereon. In the event of the requisition for use or hire by any government (it being acknowledged that the use of the Airframe or any Engine pursuant to the CRAF Program does not constitute such a requisition or hire) of the Airframe and the Engines or engines installed on the Airframe that does not constitute an Event of Loss, all of Company's rights and obligations under this Indenture with respect to the Airframe and such Engines shall continue to the same extent as if such requisition or hire had not occurred; provided that, notwithstanding the foregoing, Company's obligations other than payment obligations shall only continue to the extent feasible. All payments received by Company or Loan Trustee from such government for such requisition of the Airframe and Engines or engines shall be paid over to, or retained by, Company.

(e) Requisition for Use by the Government of an Engine not Installed on the Airframe. If any government requisitions the use or hire (it being acknowledged that the use of the Airframe or any Engine pursuant to the CRAF Program does not constitute such a requisition), for a period in excess of sixty (60) days, of any Engine not then installed on the Airframe, Company will replace such Engine by complying with the terms of Section 7.05(b) to the same extent as if an Event of Loss had occurred with respect to such Engine on the sixty-first day after such requisition. Upon such replacement, any payments received by Company or Loan Trustee from such government with respect to such requisition shall be paid over to, or retained by, Company.

(f) Application of Payments During Existence of Event of Default. Any amount referred to in Section 7.05 that is payable to or retainable by Company shall not be paid to or retained by Company if at the time of such payment or retention an Event of Default or Payment Default has occurred and is continuing, but shall be held by or paid over to Loan Trustee as security for the obligations of Company under this Indenture and the Participation Agreement. When any such Event of Default or Payment Default ceases, such amount shall be paid to Company.

Section 7.06 Insurance.

(a) Aircraft Liability Insurance.

(i) Except as provided in clause (ii) of this Section 7.06(a), and subject to the rights of Company to establish and maintain self-insurance in the manner and to the extent specified in Section 7.06(d), Company will carry, or cause to be carried, at no expense to Loan Trustee, aircraft liability insurance (including, but not limited to, contractual, bodily injury, personal injury, property damage, and products liability (exclusive of manufacturer's product liability insurance and war risk, hijacking and allied perils insurance)) with respect to the Aircraft that is of the type as from time to time applicable to aircraft operated by Company (or, if a Lease in respect of the Aircraft is then in effect, by Permitted Lessee) of the same type as the Aircraft (A) in amounts that are not less than the aircraft liability insurance applicable to similar aircraft and engines in Company's (or Permitted Lessee's) fleet on which Company (or Permitted Lessee) carries insurance and operated by Company (or Permitted Lessee) on the same or similar routes as operated by the Aircraft; provided that such liability insurance shall not be less than the amount (the "Minimum Insurance Amount") certified in the insurance report delivered to Loan Trustee and the Liquidity Provider on the Closing Date, and (B) that is maintained in effect with insurers of recognized responsibility. Any policies of insurance carried in accordance with this Section 7.06(a) and any policies taken out in substitution or replacement for any of such policies shall: (1) name Loan Trustee, Subordination Agent, each Pass Through Trustee and the Liquidity Provider as their Interests (defined below in this Section 7.06) may appear, as additional insureds (the "Additional Insureds"), (2) subject to the conditions of clause (3) below, provide that, in respect of the interest of each Additional Insured in such policies, the insurance shall not be invalidated by any action or inaction of Company, any Permitted Lessee, or any other insured (other than such Additional Insured) and shall insure each Additional Insured's Interests as they appear, regardless of any breach or violation of any warranty, declaration or condition contained in such policies by Company, any Permitted Lessee or any other insured (other than such Additional Insured), (3) provide that, if such insurance is canceled for any reason, or if any change is made in the insurance that materially reduces the amount of insurance or the coverage certified in the insurance report delivered on the Closing Date to Loan Trustee and the Liquidity Provider, or if such insurance is canceled for nonpayment of premium, such cancellation or change shall not be effective as to any Additional Insured for 30 days after issuance to such Additional Insured of written notice from or on behalf of such insurers of such cancellation or change, (4) provide that the Additional Insureds shall have no obligation or liability for premiums, commissions, assessments or calls in connection with such insurance, (5) provide that the insurers shall waive any rights of (x) set-off, counterclaim or any other deduction, whether by attachment or otherwise, in respect of any liability of the Additional Insureds to the extent of any monies due to the Additional Insureds and (y) subrogation against the Additional Insureds to the extent that Company has waived its rights by its agreements to indemnify the Additional Insureds pursuant to the Operative Documents, (6) be primary without right of contribution from any other insurance carried by any Additional Insured with respect to its Interests as such in the Aircraft and (7) expressly provide that all of the provisions thereof, except the limits of liability, shall operate in the same manner as if there were a separate policy covering each insured. "Interests" as used in this Section 7.06(a), in Section 7.06(b), and in Section 7.06(c) with respect to any Person means the interests of such Person in the transactions contemplated by the Operative Documents.

(ii) During any period that the Airframe or an Engine, as the case may be, is on the ground and not being flown, Company may carry or cause to be carried as to such non-flown Airframe or Engine, in lieu of the insurance required by clause (i) above, and subject to self-insurance to the extent permitted by Section 7.06(d) below, insurance otherwise conforming with the provisions of said clause (i) except that: (A) the amounts of coverage shall not be required to exceed the amounts of aircraft liability insurance from time to time applicable to airframes or engines owned or leased by Company (or, if a Lease is then in effect, by the Permitted Lessee) of the same type as such non-flown Airframe or Engine and that are on the ground and not being flown and (B) the scope of the risks covered and the type of insurance shall be the same as from time to time are applicable to airframes or engines owned or leased by Company (or, if a Lease is then in effect, by the Permitted Lessee) of the same type as such non-flown Airframe or Engine and that are on the ground and not being flown.

(b) War Risk, Hijacking and Allied Perils Liability Insurance. If the Aircraft, the Airframe or any Engine is being operated in any war zone or area of recognized or, in Company's (or Permitted Lessee's) judgment, threatened hostilities, then Company shall maintain or cause to be maintained war risk, hijacking and allied perils liability insurance (x) in an amount that is not less than the aircraft liability insurance applicable to similar aircraft and engines in Company's fleet on which Company carries insurance and operated by Company (or, if a Lease is then in effect, in the Permitted Lessee's fleet on which such Permitted Lessee carries insurance and operated by such Permitted Lessee) on the same or similar routes as the Aircraft, the Airframe or such Engine; provided that such liability insurance shall not be less than the Minimum Insurance Amount, (y) that is maintained in effect with insurers of recognized responsibility, and (z) which shall cover the perils set forth in the insurance policies maintained in connection with the CRAF Program (as such insurance policies maintained in connection with the CRAF Program may be amended from time to time). Except with respect to any war risk, hijacking or allied perils liability insurance maintained on any aircraft operated by Company in connection with the CRAF Program (or, if a Lease is then in effect, by the Permitted Lessee), if war risk, hijacking or allied perils liability insurance is maintained by Company (or if a Lease is then in effect, by the Permitted Lessee) with respect to any aircraft owned or operated by Company (or such Permitted Lessee, as the case may be) of the same or similar type operated by Company (or such Permitted Lessee, as the case may be) on the same or similar routes as operated by the Aircraft, the Airframe or an Engine, then Company shall maintain or cause to be maintained with respect to the Aircraft war risk, hijacking and allied perils liability insurance in scope and coverage no less comprehensive, in an amount not less than the insurance maintained by Company (or such Permitted Lessee, as the case may be) with respect to such other aircraft, and with insurers of recognized responsibility. Any policies of insurance carried in accordance with this Section 7.06(b) and any policies taken out in substitution or replacement for any of such policies shall: (1) name Loan Trustee, Subordination Agent, each Pass Through Trustee and the Liquidity Provider as their Interests may appear, as Additional Insureds, (2) subject to the conditions of clause (3) below (other than the exception set forth therein), provide that, in respect of the interest of each Additional Insured in such policies, the insurance shall not be invalidated by any action or inaction of Company, any Permitted Lessee, or any other insured (other than such Additional Insured) and shall insure each Additional Insured's Interests as they appear, regardless of any breach or violation of any warranty, declaration or condition contained in such policies by Company, any Permitted Lessee, or any other insured (other than such Additional Insured), (3) provide that, except to the extent not provided for by Company's war risk, hijacking, and allied perils insurance provider, if such insurance is canceled for any reason, or if any change is made in the insurance that materially reduces the amount of insurance or the coverage certified in the insurance report delivered on or prior to the Closing Date to Loan Trustee and the Liquidity Provider, or if such insurance is canceled for nonpayment of premium, such cancellation or change shall not be effective as to any Additional Insured for seven days (or such other period as is then generally available in the industry) after issuance to such Additional Insured of written notice from or on behalf of such insurers of such cancellation or change, (4) provide that the Additional Insureds shall have no obligation or liability for premiums, commissions, assessments or calls in connection with such insurance, (5) provide that the insurers shall waive any rights of (x) set-off, counterclaim or any other deduction, whether by attachment or otherwise, in respect of any liability of the Additional Insureds to the extent of any monies due to the Additional Insureds and (y) subrogation against the Additional Insureds to the extent that Company has waived its rights by its agreements to indemnify the Additional Insureds pursuant to the Operative Documents, (6) be primary without right of contribution from any other insurance carried by any Additional Insured with respect to its Interests as such in the Aircraft and (7) expressly provide that all of the provisions thereof, except the limits of liability, shall operate in the same manner as if there were a separate policy covering each insured. To the extent that Company's war risk, hijacking and allied perils insurance provider does not provide for provision of direct notice to Additional Insureds of cancellation or change in the insurance required hereunder, Company hereby agrees that, upon receipt of notice of any thereof from such insurance provider, it shall give the Additional Insureds immediate notice of each cancellation or change to such insurance.

(c) Insurance Against Loss or Damage to Aircraft.

(i) Except as provided in clause (ii) of this Section 7.06(c), and subject to the rights of Company to establish and maintain self-insurance in the manner and to the extent specified in Section 7.06(d) below, Company shall maintain, or cause to be maintained, in effect with insurers of recognized responsibility, at no expense to Loan Trustee, all-risk aircraft hull insurance covering the Aircraft and all-risk coverage with respect to any Engines or Parts while removed from the Aircraft (including, but not limited to, war risk, hijacking and allied perils insurance, if and to the extent the same is maintained by Company (or, if a Lease is then in effect, by the Permitted Lessee) with respect to other similar aircraft operated by Company or such Permitted Lessee, as the case may be, on the same or similar routes) that is of the type as from time to time applicable to aircraft operated by Company (or, if a Lease is then in effect, by the Permitted Lessee) of the same type as the Aircraft; provided that (A) such insurance (including the permitted self-insurance) shall at all times while the Aircraft is subject to this Indenture be for an amount not less than 110% of the aggregate principal amount of the Equipment Notes outstanding from time to time, (B) such insurance need not cover an Engine while attached to an airframe not owned, leased or operated by Company, and (C) such insurance covering Engines and Parts removed from an Airframe or an airframe or (in the case of Parts) an Engine need be obtained only to the extent available at reasonable cost (as reasonably determined by Company (or Permitted Lessee)). Any policies carried in accordance with this Section 7.06(c) and any policies taken out in substitution or replacement for any such policies shall: (1) provide that any insurance proceeds up to an amount equal to the outstanding principal amount of the Equipment Notes, together with accrued but unpaid interest thereon, plus an amount equal to the interest that would accrue on the outstanding principal amount of the Equipment Notes at the Debt Rate in effect on the date of payment of such insurance proceeds to Loan Trustee (as provided for in this sentence) during the period commencing on the day following the date of such payment to Loan Trustee and ending on the Loss Payment Date (the sum of such three amounts being the "Loan Amount"), payable for any loss or damage constituting an Event of Loss with respect to the Aircraft and any insurance proceeds in excess of the Insurance Threshold up to an amount equal to the Loan Amount for any loss or damage to the Aircraft (or Engines) not constituting an Event of Loss with respect to the Aircraft (or Engines), shall be paid to Loan Trustee as long as this Indenture has not been discharged, and that all other amounts shall be paid to Company or its designee, unless the insurer has received notice that an Event of Default exists, in which case all insurance proceeds for any loss or damage to the Aircraft (or Engines) up to an amount equal to the Loan Amount shall be payable to Loan Trustee, (2) subject to the conditions of clause (3) below (other than the exception set forth therein), provide that, in respect of the interest of each Additional Insured in such policies, the insurance shall not be invalidated by any action or inaction of Company, any Permitted Lessee, or any other insured (other than such Additional Insured) and shall insure each Additional Insured's Interests as they appear, regardless of any breach or violation of any warranty, declaration or condition contained in such policies by Company, any Permitted Lessee or any other insured (other than such Additional Insured), (3) provide that, except to the extent not provided for by Company's (or any Permitted Lessee's) hull war risk, hijacking, and allied perils insurance provider, if such insurance is canceled for any reason, or if any change is made in the insurance that materially reduces the coverage (not including the amount) certified in the insurance report delivered on the Closing Date to Loan Trustee, and the Liquidity Provider, or if such insurance is canceled for nonpayment of premium, such cancellation or change shall not be effective as to the Additional Insureds for 30 days (seven days, or such other period as is then customary in the industry, in the case of war risk, hijacking, or allied perils coverage) after issuance to the Additional Insureds of written notice from or on behalf of such insurers of such cancellation or change, (4) provide that the Additional Insureds shall have no obligation or liability for premiums, commissions, assessments or calls in connection with such insurance, (5) provide that the insurers shall waive rights of (x) setoff, counterclaim or any other deduction, whether by attachment or otherwise, in respect of any liability of the Additional Insureds to the extent of any monies due to the Additional Insureds and (y) subrogation against the Additional Insureds to the extent Company has waived its rights by its agreement to indemnify the Additional Insureds pursuant to the Operative Documents and (6) include a 50/50 provisional claims settlement clause in the event that separate policies are maintained with respect to all-risk aircraft hull insurance and war risk, hijacking and allied perils hull insurance. To the extent that Company's war risk, hijacking, and allied perils insurance provider does not provide for provision of direct notice to Additional Insureds of cancellation or change in the insurance required hereunder, Company hereby agrees that upon receipt of notice of any thereof from such insurance provider it shall give the Additional Insureds immediate notice of each cancellation or change to such insurance.

(ii) During any period that the Airframe or an Engine, as the case may be, is on the ground and not being flown, Company (or Permitted Lessee) may carry or cause to be carried as to such non-flown Airframe or Engine, in lieu of the insurance required by clause (i) above, and subject to self-insurance to the extent permitted by Section 7.06(d) below, insurance otherwise conforming with the provisions of said clause (i) except that the scope of the risks covered and the type of insurance shall be the same as from time to time are applicable to airframes and engines owned or leased by Company (or, if a Lease is then in effect, by the Permitted Lessee) of the same type as such non-flown Airframe or Engine and that are on the ground and not being flown; provided that, subject to self-insurance to the extent permitted by Section 7.06(d) below, Company shall maintain or cause to be maintained insurance against risk of loss or damage to such non-flown Airframe or Engine in an amount at least equal to 110% of the aggregate outstanding principal amount of the Equipment Notes for the Aircraft or, with respect to a non-flown Engine, the replacement value of such Engine.

(d) Self-Insurance. Company may from time to time self-insure, by way of deductible, self-insured retention, premium adjustment or franchise or otherwise (including, with respect to insurance maintained pursuant to Sections 7.06(a), (b) or (c), insuring for a maximum amount that is less than the amounts set forth in Sections 7.06(a), (b) and (c) above), the risks required to be insured against pursuant to Sections 7.06(a), (b) and (c) above, but in no case shall the self-insurance with respect to all of the aircraft and engines in the combined fleet of Company and its Affiliates (including, without limitation, the Aircraft) exceed for any 12-month policy year 1.0% of the average aggregate insurable value (during the preceding policy year) of all aircraft (including, without limitation, the Aircraft) on which Company and its Affiliates carry insurance, unless an insurance broker of national standing certifies that the standard among other major United States express transportation companies is a higher level of self-insurance, in which case Company may self-insure the Aircraft to such higher level; provided that (1) any deductible per occurrence that, in the case of the Aircraft, is not in excess of the amount customarily allowed as a deductible in the industry or is required to facilitate claims handling or (2) any applicable mandatory minimum per aircraft (or if applicable per annum or other period) hull or liability insurance deductibles imposed by the aircraft hull or liability insurers shall be permitted in addition to the above-mentioned self-insurance.

(e) Indemnification by United States Government in Lieu of Insurance. Notwithstanding any provision of this Section 7.06 requiring insurance, in lieu of insurance against any risk with respect to the Aircraft, indemnification from, or insurance provided by, the United States government, or any agency or instrumentality thereof, against such risk in an amount which, when added to the amount of insurance maintained against such risk by Company (or, if a Lease is then in effect, by the Permitted Lessee), shall be at least equal to the amount of insurance against such risk otherwise required by this Section 7.06 (taking into account self-insurance permitted by Section 7.06(d)) shall be considered adequate insurance for purposes of this Section 7.06.

(f) Application of Insurance Payments. All losses will be adjusted by Company with the insurers. As between Loan Trustee and Company it is agreed that all insurance payments received under policies required to be maintained by Company hereunder, exclusive of any payments received in excess of the Loan Amount for the Aircraft from such policies, as the result of the occurrence of an Event of Loss with respect to the Airframe or an Engine will be applied as follows:

(i) if such payments are received with respect to the Airframe or the Airframe and any Engines installed on the Airframe that has been or is being replaced by Company pursuant to Section 7.05(a), such payments shall be paid over to, or retained by, Loan Trustee and upon completion of such replacement shall be paid over to, or retained by, Company;

(ii) if such payments are received with respect to the Airframe or the Airframe and any Engines installed on the Airframe that has not been and will not be replaced as contemplated by Section 7.05(a), so much of such payments remaining after reimbursement of Loan Trustee for its actual and reasonable out-of-pocket costs and expenses, as do not exceed the amounts required to be paid by Company pursuant to Section 2.10 shall be applied in reduction of Company's obligation to pay such amounts, if not already paid by Company, or, if already paid by Company, shall be applied to reimburse Company for its payment of such amounts, and the balance, if any, of such payment remaining thereafter will be paid over to, or retained by, Company; and

(iii) if such payments are received with respect to an Engine, so much of such payments remaining after reimbursement of Loan Trustee for its actual and reasonable out-of-pocket costs and expenses shall be paid over to, or retained by, Company; provided that Company has fully performed its obligations under Section 7.05(b) with respect to the Event of Loss for which such payments are made.

In all events, the insurance payment of any property damage or loss received under policies maintained by Company in excess of the Loan Amount for the Aircraft shall be paid to Company.

The insurance payments for any loss or damage to the Airframe or an Engine not constituting an Event of Loss with respect to the Airframe or such Engine will be applied in payment (or to reimburse Company) for repairs or for replacement property in accordance with the terms of Sections 7.02 and 7.04, and any balance remaining after compliance with such Sections with respect to such loss or damage shall be paid to Company. Any amount referred to in the preceding sentence or in clause (i) or (ii) of the first paragraph of this Section 7.06(f) that is payable to Company shall not be paid to Company (or, if it has been previously paid directly to Company, shall not be retained by Company) if at the time of such payment an Event of Default or Payment Default has occurred and is continuing, but shall be paid to and held by Loan Trustee as security for the obligations of Company under this Indenture and the other Operative Documents and shall be invested pursuant to Section 5.06 unless and until such amount is applied, at the option of Loan Trustee, to Company's obligations under this Indenture and the other Operative Documents as and when due, it being understood that any such application shall be made to such obligations of Company as Loan Trustee may determine in its sole discretion. Loan Trustee shall give Company prompt written notice of any such application, but the failure to so notify Company shall not in any way affect the rights of Loan Trustee hereunder. At such time as there shall be continuing no Event of Default or Payment Default, such amount shall be paid to Company to the extent not previously applied in accordance with this Section 7.06(f).

(g) Reports, Etc. On or before the Closing Date and annually following renewal of Company's insurance coverage, Company will furnish to Loan Trustee and the Liquidity Provider current certificates of insurance and a report signed by a firm of independent aircraft insurance brokers appointed by Company (which brokers may be in the regular employ of Company), stating the opinion of such firm that the commercial hull and liability insurance then carried and maintained on the Aircraft complies with the terms hereof. All information contained in such report shall be Confidential Information and shall be treated by Loan Trustee and the Liquidity Provider and each of their Affiliates and their respective officers, directors, agents and employees in accordance with the provisions of Section 10.16. Company will use commercially reasonable efforts to cause such firm to notify Loan Trustee and the Liquidity Provider of any act or omission on the part of Company of which such firm has knowledge that might invalidate or render unenforceable, in whole or in part, any insurance on the Aircraft. Company will use commercially reasonable efforts to cause such firm to notify Loan Trustee and the Liquidity Provider as promptly as practicable after such firm acquires knowledge that a cancellation of any insurance carried and maintained on the Aircraft pursuant to this Section 7.06 will occur. Such information may only be provided to other Persons in accordance with Section 10.16.

In the event that Company shall fail to maintain or to cause to be maintained insurance as herein provided, Loan Trustee may at its option obtain such insurance (giving Company prompt written notice thereof, but the failure to so notify Company shall not in any way affect the rights of Loan Trustee hereunder) and, in such event, Company shall, upon demand, reimburse Loan Trustee for the cost to Loan Trustee of such insurance, together with interest thereon at the Past Due Rate for the period commencing with the date such cost was paid to the date of reimbursement; provided, however, that no exercise by Loan Trustee of said option shall affect the provisions of this Indenture, including the provisions that failure by Company to maintain the prescribed insurance shall constitute an Event of Default.

(h) Salvage Rights; Other. All salvage rights to the Airframe and each Engine shall remain with Company's insurers at all times, and any insurance policies of Loan Trustee insuring the Airframe or any Engine shall provide for a release to Company of any and all salvage rights in and to the Airframe or any Engine except if such insurance policies of Loan Trustee are obtained pursuant to the last paragraph of Section 7.06(g). Neither Loan Trustee nor any Noteholder may, directly or indirectly, obtain insurance for its own account with respect to the Airframe or any Engine if such insurance would limit or otherwise adversely affect the coverage or amounts payable under, or increase the premiums for, any insurance required to be maintained pursuant to this Section 7.06 or any other insurance maintained with respect to the Aircraft or any other aircraft in Company's (or Permitted Lessee's) fleet.

ARTICLE VIII

Successor and Additional Trustees

Section 8.01 Resignation or Removal; Appointment of Successor.

(a) The resignation or removal of Loan Trustee and the appointment of a successor Loan Trustee shall become effective only upon the successor Loan Trustee's acceptance of appointment as provided in this Section 8.01. Loan Trustee or any successor thereto must resign if at any time it ceases to be eligible in accordance with the provisions of Section 8.01(c) and may resign at any time without cause by giving at least 60 days' prior written notice to Company and each Noteholder. In addition, either Company (so long as no Event of Default or Payment Default shall have occurred and be continuing) or a Majority in Interest of Noteholders (but only with the consent of Company so long as no Event of Default or Payment Default shall have occurred and be continuing), may at any time remove Loan Trustee without cause by an instrument in writing delivered to Loan Trustee and each Noteholder, and, in case of a removal by a Majority in Interest of Noteholders, to Company. In the case of the resignation or removal of Loan Trustee, Company shall promptly appoint a successor Loan Trustee. If a successor Loan Trustee has not been appointed within 60 days after such notice of resignation or removal, Loan Trustee, Company or any Noteholder may apply to any court of competent jurisdiction to appoint a successor Loan Trustee to act until such time, if any, as a successor is appointed as above provided. The successor Loan Trustee so appointed by such court shall immediately and without further act be superseded by any successor Loan Trustee appointed as above provided.

(b) Any successor Loan Trustee, however appointed, shall execute and deliver to the predecessor Loan Trustee and Company an instrument accepting such appointment and assuming the obligations of Loan Trustee arising from and after the time of such appointment, and thereupon such successor Loan Trustee, without further act, shall become vested with all the estates, properties, rights, powers and duties of the predecessor Loan Trustee in the trust hereunder applicable to it with like effect as if originally named Loan Trustee herein; but nevertheless upon the written request of such successor Loan Trustee, such predecessor Loan Trustee shall execute and deliver an instrument transferring to such successor Loan Trustee all the estates, properties, rights and powers of such predecessor Loan Trustee, and such predecessor Loan Trustee shall duly assign, transfer, deliver and pay over to such successor Loan Trustee all monies or other property and all other books and records, or true, correct and complete copies thereof, then held by such predecessor Loan Trustee.

(c) This Indenture shall at all times have a Loan Trustee, however appointed, that is a Citizen of the United States (without the use of a voting trust) and a bank or trust company having a combined capital and surplus of at least $100,000,000 (or a combined capital and surplus in excess of $5,000,000 and 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 or any state or territory thereof or the District of Columbia and having a combined capital and surplus of at least $100,000,000) or a corporation with a net worth of at least $100,000,000, if there be such an institution willing, able and legally qualified to perform the duties of Loan Trustee upon reasonable or customary terms. If such bank, trust company or corporation publishes reports of conditions at least annually, pursuant to law or to the requirements of federal, state, territorial or District of Columbia supervising or examining authority, then for the purposes of this Section 8.01(c) the combined capital and surplus of such bank, trust company or corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of conditions so published. In case at any time Loan Trustee ceases to be eligible in accordance with the provisions of this Section 8.01(c), Loan Trustee shall resign immediately in the manner and with the effect specified in Section 8.01(a).

(d) Any bank, trust company or corporation into which Loan Trustee may be merged or converted or with which it may be consolidated, or any bank, trust company or corporation resulting from any merger, conversion or consolidation to which Loan Trustee is a party, or any bank, trust company or corporation to which substantially all the corporate trust business of Loan Trustee may be transferred, shall, subject to the terms of Section 8.01(c), be a successor Loan Trustee under this Indenture without further act.

Section 8.02 Appointment of Additional and Separate Trustees.

(a) Whenever (i) Company or Loan Trustee deems it necessary or desirable in order to conform to any law of any jurisdiction in which all or any part of the Collateral is situated or to make any claim or bring any suit with respect to or in connection with the Collateral, any Operative Document or any of the transactions contemplated by the Operative Documents, (ii) Loan Trustee shall be advised by counsel satisfactory to it that it is necessary or prudent in the interests of Noteholders (and Loan Trustee shall so advise Company) or (iii) Loan Trustee has been requested to do so by a Majority in Interest of Noteholders, then in any such case, Loan Trustee and, upon the written request of Loan Trustee, Company, shall execute and deliver an indenture supplemental hereto and such other, instruments as from time to time are necessary or advisable either (1) to constitute one or more banks or trust companies or corporations meeting the requirements of Section 8.01(c) and approved by Loan Trustee, either to act jointly with Loan Trustee 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 Indenture as is provided in such supplemental indenture or other instruments as Loan Trustee or a Majority in Interest of Noteholders deems 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 8.02. If no Event of Default has occurred and is continuing, no additional or supplemental trustee shall be appointed without Company's consent. If an Event of Default shall have occurred and be continuing, Loan Trustee may act under the foregoing provisions of this Section 8.02(a) without the concurrence of Company, and, to the extent permitted by applicable law, Company hereby irrevocably appoints (which appointment is coupled with an interest) Loan Trustee as its agent and attorney-in-fact to act for it under the foregoing provisions of this Section 8.02(a). Loan Trustee 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, subject in each case to the remaining provisions of this Section 8.02. In case any additional or separate trustee appointed under this Section 8.02(a) becomes incapable of acting, resigns or is removed, all the assets, property, rights, powers, trusts, duties and obligations of such additional or separate trustee shall revert to Loan Trustee until a successor additional or separate trustee is appointed as provided in this Section 8.02(a).

(b) No additional or separate trustee shall be entitled to exercise any of the rights, powers, duties and obligations conferred upon Loan Trustee 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 Documents to Loan Trustee shall be promptly paid over by it to Loan Trustee. All other rights, powers, duties and obligations conferred or imposed upon any additional or separate trustee shall be exercised or performed by Loan Trustee 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 Loan Trustee 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 Loan Trustee or a Majority in Interest of Noteholders. No trustee hereunder shall be personally liable by reason of any act or omission of any other trustee hereunder, except that Loan Trustee shall be liable for the consequences of its lack of reasonable care in selecting, and Loan Trustee's own actions in acting with, any additional or separate trustee. Each additional or separate trustee appointed pursuant to this Section 8.02 shall be subject to, and shall have the benefit of Articles IV, V, VI, VIII, IX and X insofar as they apply to Loan Trustee. The powers of any additional or separate trustee appointed pursuant to this Section 8.02 shall not in any case exceed those of Loan Trustee.

(c) If at any time Loan Trustee deems it no longer necessary or desirable or in the event that Loan Trustee has been requested to do so in writing by a Majority in Interest of Noteholders, Loan Trustee and, upon the written request of Loan Trustee, Company, shall execute and deliver an indenture supplemental hereto and all other instruments and agreements necessary or proper to remove any additional or separate trustee. Loan Trustee may act on behalf of Company under this Section 8.02(c) when and to the extent it could so act under Section 8.02(a). In any case, Company may remove an additional or separate trustee in the manner set forth in Section 8.01.

ARTICLE IX

Amendments and Waivers

Section 9.01 Amendments to this Indenture without Consent of Holders. At any time after the date hereof, Company may and Loan Trustee shall, at Company's request, enter into one or more agreements supplemental hereto and amend the Equipment Notes without notice to or consent of any Noteholder, Indenture Indemnitee or Related Indenture Indemnitee for any of the following purposes: (i) to evidence the succession of another Person to Company and the assumption by any such successor of the covenants of Company contained in any Operative Documents pursuant to Section 6.02(e) of the Participation Agreement; (ii) 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 Noteholder, any Indenture Indemnitee or any Related Indenture Indemnitee in its capacity solely as Noteholder, Indenture Indemnitee or Related Indenture Indemnitee, as the case may be); (iii) to cure any ambiguity or correct any mistake; (iv) to evidence the succession of a new trustee hereunder pursuant hereto or the removal of the trustee hereunder or to provide for or facilitate the appointment of an additional or separate trustee pursuant to Section 8.02; (v) to convey, transfer, assign, mortgage or pledge any property to or with Loan Trustee; (vi) to make any other provisions or amendments with respect to matters or questions arising hereunder or under the Equipment Notes, or to amend, modify or supplement any provision hereof or thereof, so long as such action shall not adversely affect the interests of any Noteholder, any Indenture Indemnitee or any Related Indenture Indemnitee in its capacity solely as Noteholder, Indenture Indemnitee or Related Indenture Indemnitee, as the case may be; (vii) to correct, supplement or amplify the description of any property at any time subject to the Lien of this Indenture, or better to assure, convey and confirm unto Loan Trustee any property subject or required to be subject to the Lien of this Indenture or to subject to the Lien of this Indenture the Airframe or Engines or any Substitute Airframe, Replacement Airframe or Replacement Engine; (viii) to add to the covenants of Company for the benefit of Noteholders, Indenture Indemnitees or Related Indenture Indemnitees or to surrender any rights or power herein conferred upon Company; (ix) to add to the rights of Noteholders, Indenture Indemnitees or Related Indenture Indemnitees; (x) to include on the Equipment Notes any legend as may be required by law or as otherwise necessary or advisable; (xi) to comply with any applicable requirements of the Trust Indenture Act, or any other requirements of applicable law or of any regulatory body; (xii) to give effect to the replacement of the Liquidity Provider with a Replacement Liquidity Provider and the replacement of the Liquidity Facility with a Replacement Liquidity Facility therefor, and, if a Replacement Liquidity Facility is to be comprised of more than one instrument as contemplated by the definition of the term "Replacement Liquidity Facility" in the Intercreditor Agreement, to incorporate appropriate mechanics for multiple instruments for such Replacement Liquidity Facility for a single Pass Through Trust (including, without limitation, amendments to Section 2.14 with respect to the Replacement Liquidity Provider of such Replacement Liquidity Facility); (xiii) to provide for the original issuance of Additional Series Equipment Notes of one or more Series (and Related Additional Series Equipment Notes relating thereto) pursuant to clause (i) of the third sentence of Section 2.02 or the issuance of new Additional Series Equipment Notes of any one or more Series (and new Related Additional Series Equipment Notes relating thereto) pursuant to clause (ii) or (iii), as the case may be, of the third sentence of Section 2.02, and for the issuance of pass through certificates by any pass through trust that acquires any such Additional Series Equipment Notes (and Related Additional Series Equipment Notes), or new Additional Series Equipment Notes (and new Related Additional Series Equipment Notes) and to make changes relating to any of the foregoing (including, without limitation, to provide for any prefunding mechanism in connection therewith or to provide for the priority in payment among different Series of Additional Series Equipment Notes) and to provide for any credit support for any pass through certificates relating to any such Additional Series Equipment Notes (and Related Additional Series Equipment Notes), new Additional Series Equipment Notes (and new Related Additional Series Equipment Notes) (including, without limitation, to secure claims for fees, interest, expenses, reimbursement of advances and other obligations arising from such credit support (including, without limitation, to specify such credit support as a "Liquidity Facility" and the provider of any such credit support as a "Liquidity Provider" and, if such Liquidity Facility is to be comprised of more than one instrument, to incorporate appropriate mechanics for multiple Liquidity Facilities for a single Pass Through Trust)); provided that any such Additional Series Equipment Notes or new Additional Series Equipment Notes, as the case may be, are issued in accordance with Section 2.02 of the Participation Agreement and Section 8.01(c) or 8.01(d) of the Intercreditor Agreement, as applicable; and (xiv) to provide for the issuance of "Additional Series Equipment Notes" of one or more series new "Additional Series Equipment Notes" in each case under any or all Related Indentures and other matters incidental or relating thereto.

Section 9.02 Amendments to this Indenture with Consent of Holders.

(a) With the written consent of a Majority in Interest of Noteholders, Company may, and Loan Trustee shall, subject to Section 9.06, at any time and from time to time, enter into such supplemental agreements to add any provisions to or to change or eliminate any provisions of this Indenture or of any such supplemental agreements or to modify in any manner the rights and obligations of Company, Loan Trustee and Noteholders under this Indenture; provided that, without the consent of each Noteholder affected thereby, an amendment under this Section 9.02 may not:

(1) reduce the principal amount of, Make-Whole Amount, if any, or interest on, any Equipment Note;

(2) change the date on which any principal amount of, Make-Whole Amount, if any, or interest on any Equipment Note, is due or payable;

(3) create any Lien with respect to the Collateral prior to or *pari passu* with the Lien thereon under this Indenture except such as are permitted by this Indenture, or deprive any Noteholder of the benefit of the Lien on the Collateral created by this Indenture, except as provided in connection with the exercise of remedies under Article IV; provided that, without the consent of each holder of an affected Related Equipment Note then outstanding, no such amendment, waiver or modification of terms of, or consent under, any thereof shall modify Section 3.03 or this clause (3) or deprive any Related Noteholder of the benefit of the Lien of this Indenture on the Collateral, except as provided in connection with the exercise of remedies under Article IV;

(4) reduce the percentage of the outstanding principal amount of the Equipment Notes the consent of whose holders is required for any such supplemental agreement, or the consent of whose holders is required for any waiver of compliance with certain provisions of this Indenture or of certain defaults hereunder or their consequences provided for in this Indenture; or

(5) make any change in Section 4.05 or this Section 9.02, except to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of each Noteholder affected thereby.

Notwithstanding the foregoing, neither Company nor Loan Trustee shall enter into any amendment, waiver or modification of, or supplement or consent to, this Indenture or any other Operative Document other than the Participation Agreement (which is addressed in Section 9.03) which shall reduce, modify or amend any indemnities in favor of the Liquidity Provider without the consent of the Liquidity Provider.

(b) It is not necessary under this Section 9.02 for Noteholders to consent to the particular form of any proposed supplemental agreement, but it is sufficient if they consent to the substance thereof.

(c) Promptly after the execution by Company and Loan Trustee of any supplemental agreement pursuant to the provisions of this Section 9.02, Loan Trustee shall transmit by first-class mail or by hand delivery a notice, setting forth in general terms the substance of such supplemental agreement, to all Noteholders, as the names and addresses of such Noteholders appear on the Equipment Note Register. Any failure of Loan Trustee to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such supplemental agreement.

Section 9.03 Amendments, Waivers, Etc. of the Participation Agreement or Parent Guarantee. Without the consent of a Majority in Interest of Noteholders, the respective parties to the Participation Agreement or Parent Guarantee, as applicable, may not modify, amend or supplement such agreement, or give any consent, waiver, authorization or approval thereunder, for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions thereof or of modifying in any manner the rights of the respective parties thereunder; provided that, without the consent of Loan Trustee, any Noteholder, any other Indenture Indemnitee or any Related Indenture Indemnitee, the Participation Agreement or Parent Guarantee, as applicable, may be modified, amended or supplemented in order (i) to cure any defect or inconsistency therein or to cure any ambiguity or correct any mistake, (ii) to amend, modify or supplement any provision thereof or make any other provision with respect to matters or questions arising thereunder or under this Indenture (provided that the making of any such other provision shall not materially adversely affect the interests of Noteholders) or (iii) to make any other change, or reflect any other matter, of the kind referred to in clauses (i) through (xiv) of Section 9.01. Notwithstanding the foregoing, without the consent of the Liquidity Provider, Company shall not enter into any amendment, waiver or modification of or supplement or consent to the Participation Agreement or Parent Guarantee, as applicable, which shall reduce, modify or amend any indemnities in favor of the Liquidity Provider contained therein.

Section 9.04 Revocation and Effect of Consents. Until an amendment or waiver becomes effective, a consent to it by a Noteholder is a continuing consent by Noteholder and every subsequent Noteholder, even if notation of the consent is not made on any Equipment Note.

Section 9.05 Notation on or Exchange of Equipment Notes. Loan Trustee may place an appropriate notation about an amendment or waiver on any Equipment Note thereafter executed. Loan Trustee in exchange for such Equipment Notes may execute new Equipment Notes that reflect the amendment or waiver.

Section 9.06 Trustee Protected. If, in the reasonable opinion of the institution acting as Loan Trustee, any document required to be executed by it pursuant to the terms of Section 9.01 or 9.02 adversely affects any right, duty, immunity or indemnity with respect to such institution under this Indenture, such institution may in its discretion decline to execute such document.

Section 9.07 No Consent of Individual Indenture Indemnitees Required. Notwithstanding anything in this Indenture or any other Operative Document to the contrary, when any provision hereof or thereof would otherwise require a consent of an Indenture Indemnitee, such provision shall always be construed to require only the consent of an Indenture Indemnitee other than any Indenture Indemnitee covered by clause (vii) of the definition of "Indenture Indemnitees".

ARTICLE X

Miscellaneous

Section 10.01 Termination of Indenture. Subject to Sections 7.04 and 7.05, upon (or at any time after) payment in full of the principal amount of, Make-Whole Amount, if any, and interest on and all other amounts then due under all Equipment Notes and provided that there shall then be (x) no other Secured Obligations due and unpaid to Noteholders, Loan Trustee and other Indenture Indemnitees hereunder, under the Participation Agreement or any other Operative Document, and (y) no Related Secured Obligations due and unpaid under any Related Indenture or any other "Operative Document" (as defined in any Related Indenture), Company shall direct Loan Trustee to execute and deliver to or as directed in writing by Company an appropriate instrument releasing the Aircraft and the Engines and (subject to paragraph (vii) of clause "third" of Section 3.03, if applicable) all other Collateral from the Lien of this Indenture and Loan Trustee shall execute and deliver such instrument as aforesaid; provided that this Indenture and the trusts created hereby shall earlier terminate and this Indenture shall be of no further force or effect upon any sale or other final disposition by Loan Trustee of all property constituting part of the Collateral and the final distribution by Loan Trustee 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 Indenture and the trusts created hereby shall continue in full force and effect in accordance with the terms hereof.

Section 10.02 No Legal Title to Collateral in Noteholders. No holder of an Equipment Note or a Related Equipment Note shall have legal title to any part of the Collateral. No transfer, by operation of law or otherwise, of any Equipment Note, Related Equipment Note or other right, title and interest of any Noteholder or Related Noteholder in and to the Collateral or hereunder shall operate to terminate this 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 10.03 Sale of Aircraft by Loan Trustee is Binding. Any sale or other conveyance of the Aircraft, the Airframe, any Engine or any interest therein by Loan Trustee made pursuant to the terms of this Indenture shall bind Noteholders and Company and shall be effective to transfer or convey all right, title and interest of Loan Trustee, Company and such Noteholders in and to such Aircraft, Airframe, Engine or interest therein. 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 Loan Trustee or Noteholders.

Section 10.04 Indenture for Benefit of Company, Loan Trustee and Noteholders. Nothing in this Indenture, whether express or implied, shall be construed to give any Person other than Company, Noteholders, Loan Trustee, other Indenture Indemnitees, Related Loan Trustees and Related Indenture Indemnitees any legal or equitable right, remedy or claim under or in respect of this Indenture, except that the Persons referred to in the second to last full paragraph of Section 7.02(a) shall be third party beneficiaries of such paragraph.

Section 10.05 Notices. Unless otherwise expressly specified or permitted by the terms hereof, all notices, requests, demands, authorizations, directions, consents, waivers or documents required or permitted under the terms and provisions of this Indenture shall be in English and in writing, and any such notice may be given by United States mail, courier service, facsimile, and any such notice shall be effective when delivered (or, if mailed, three Business Days after deposit, postage prepaid, in the first class U.S. mail and, if delivered by facsimile, upon completion of transmission and confirmation by the sender (by a telephone call to a representative of the recipient or by machine confirmation) that such transmission was received) addressed as follows:

if to Company, addressed to:

Federal Express Corporation
3610 Hacks Cross Road
Memphis, TN 38125
Attn: General Counsel

With copies to:

FedEx Corporation
942 S. Shady Grove Road
Memphis, TN 38120
Attn: Treasurer

With a separate FedEx Corporation copy to: Corporate Vice President, Securities & Corporate Law

if to Loan Trustee, addressed to:

Wilmington Trust Company
1100 North Market Square
Wilmington, DE 19890-1605
Attention: Global Capital Market Services
Ref: FedEx 2020-1AA EETC
Telephone: [ ]
Telecopy: [ ]

if to any Noteholder, addressed to such Noteholder at its address set forth in the Equipment Note Register maintained pursuant to Section 2.07;

if to any Indenture Indemnitee other than Loan Trustee, addressed to the address of such party (if any) set forth in Section 7.01 of the Participation Agreement or to such other address as such Indenture Indemnitee shall have furnished by notice to Company and Loan Trustee; and

if to any Related Indenture Indemnitee, addressed to such Related Indenture Indemnitee at its address set forth in the Equipment Note Register (defined in the applicable Related Indenture) maintained pursuant to Section 2.07 of the applicable Related Indenture.

Any party, by notice to the other parties hereto, may designate different addresses for subsequent notices or communications. Whenever the words "notice" or "notify" or similar words are used herein, they mean the provision of formal notice as set forth in this Section 10.05.

Section 10.06 Severability. To the extent permitted by applicable law, any provision of this Indenture that 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 10.07 No Oral Modification or Continuing Waivers. No terms or provisions of this Indenture or of the Equipment Notes may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by Company and Loan Trustee, in compliance with Article IX. 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 10.08 Successors and Assigns. All covenants and agreements contained herein shall bind and inure to the benefit of, and be enforceable by, each of the parties hereto and the successors and permitted assigns of each, all as herein provided. Any request, notice, direction, consent, waiver or other instrument or action by any Noteholder shall bind the successors and permitted assigns of such Noteholder. Each Noteholder by its acceptance of an Equipment Note agrees to be bound by (i) this Indenture and all provisions of the Participation Agreement, the other Operative Documents and the Pass Through Documents applicable to a Noteholder and (ii) all provisions of each Related Indenture applicable to a Related Noteholder to the extent such Noteholder is such Related Noteholder.

Section 10.09 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 10.10 Normal Commercial Relations. Anything contained in this Indenture to the contrary notwithstanding, Loan Trustee, any Noteholder or any other party to any of the Operative Documents or the Pass Through Documents or any of their affiliates may conduct any banking or other financial transactions, and have banking or other commercial relationships, with Company, fully to the same extent as if this Indenture were not in effect, including without limitation the making of loans or other extensions of credit to Company for any purpose whatsoever, whether related to any of the transactions contemplated hereby or otherwise.

Section 10.11 Voting by Noteholders. All votes of Noteholders shall be governed by a vote of a Majority in Interest of Noteholders, except as otherwise provided herein.

Section 10.12 Section 1110. It is the intention of the parties hereto that the security interest created hereby, to the fullest extent available under applicable law, entitles Loan Trustee, on behalf of Noteholders, to all of the benefits of Section 1110 with respect to the Aircraft.

Section 10.13 Company's Performance and Rights. Any obligation imposed on Company herein shall require only that Company perform or cause to be performed such obligation, even if stated as a direct obligation, and the performance of any such obligation by any permitted assignee, lessee or transferee under an assignment, lease or transfer agreement then in effect and in accordance with the provisions of the Operative Documents shall constitute performance by Company and, to the extent of such performance, discharge such obligation by Company. Except as otherwise expressly provided herein, any right granted to Company in this Indenture shall grant Company the right to permit such right to be exercised by any such assignee, lessee or transferee, and, in the case of a lessee, as if the terms hereof were applicable to such lessee were such lessee Company hereunder. The inclusion of specific references to obligations or rights of any such assignee, lessee or transferee in certain provisions of this Indenture shall not in any way prevent or diminish the application of the provisions of the two sentences immediately preceding with respect to obligations or rights in respect of which specific reference to any such assignee, lessee or transferee has not been made in this Indenture.

Section 10.14 Counterparts. This Indenture may be executed in any number of counterparts (and each of the parties hereto shall not be required to execute the same counterpart). Each counterpart of this Indenture including a signature page or pages executed by each of the parties hereto shall be an original counterpart of this Indenture, but all of such counterparts together shall constitute one instrument.

Section 10.15 Governing Law. THIS INDENTURE HAS BEEN DELIVERED IN THE STATE OF NEW YORK AND THIS INDENTURE, ANY INDENTURE SUPPLEMENT AND THE EQUIPMENT NOTES SHALL 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 10.16 Confidential Information. The term "Confidential Information" means: (a) the existence and terms of any lease of the Airframe or Engines pursuant to Section 7.02(a) and the identity of the Permitted Lessee thereunder; (b) all information obtained in connection with any inspection conducted by Loan Trustee or its authorized representatives pursuant to Section 7.03(a); (c) each certification furnished to Loan Trustee or the Liquidity Provider pursuant to Sections 7.06(a) and 7.06(b); (d) all information contained in each report furnished to Loan Trustee or the Liquidity Provider pursuant to Section 7.06(g); and (e) all information regarding the Warranty Rights; and (f) all information designated by Company as non-public information. All Confidential Information shall be held confidential by Loan Trustee, the Liquidity Provider and each Noteholder and each affiliate, agent, officer, director, or employee of any thereof and shall not be furnished or disclosed by any of them to anyone other than (i) Loan Trustee or any Noteholder and (ii) their respective bank examiners, auditors, accountants, agents and legal counsel, and except as may be required by an order of any court or administrative agency or by any statute, rule, regulation or order of any governmental authority.

Section 10.17 Submission to Jurisdiction. Each of the parties hereto, and by acceptance of Equipment Notes, each Noteholder, to the extent it may do so under applicable law, for purposes hereof and of all other Operative Documents hereby (a) irrevocably submits itself to the non-exclusive jurisdiction of the courts of the State of New York sitting in the City of New York and to the non-exclusive jurisdiction of the United States District Court for the Southern District of New York, for the purposes of any suit, action or other proceeding arising out of this Indenture, the subject matter hereof or any of the transactions contemplated hereby brought by any party or parties hereto or thereto, or their successors or permitted assigns and (b) waives, and agrees not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, 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 this Indenture or the Equipment Notes or the subject matter hereof or any of the transactions contemplated hereby may not be enforced in or by such courts.

[Signature Pages Follow.]

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed by their respective officers thereof duly authorized, as of the date first above written.

FEDERAL EXPRESS CORPORATION

By: /s/ Elise L. Jordan
Name: Elise L. Jordan
Title: Executive VP and CFO

WILMINGTON TRUST COMPANY, not in its individual capacity, except as expressly provided herein, but solely as Loan Trustee

By: /s/ Adam R. Vogelsong
Name: Adam R. Vogelsong
Title: Vice President

FORM OF INDENTURE SUPPLEMENT

INDENTURE SUPPLEMENT NO. _____

INDENTURE SUPPLEMENT NO. ____, dated _____ ____, 20__ ("Indenture Supplement"), between FEDERAL EXPRESS CORPORATION ("Company") and WILMINGTON TRUST COMPANY, not in its individual capacity but solely as Loan Trustee under the Indenture (each as hereinafter defined).

W I T N E S S E T H:

WHEREAS, the Indenture and Security Agreement (N126FE), dated as of August 13, 2020 (the "Indenture"; capitalized terms used herein without definition shall have the meanings specified therefor in Annex A to the Indenture), between Company and Wilmington Trust Company, not in its individual capacity, except as expressly provided therein, but solely as Loan Trustee ("Loan Trustee"), provides for the execution and delivery of supplements thereto substantially in the form hereof which shall particularly describe the Aircraft, and shall specifically grant a security interest in the Aircraft to Loan Trustee; and

[WHEREAS, the Indenture relates to the Airframe and Engines described in Annex A attached hereto and made a part hereof, and a counterpart of the Indenture is attached to and made a part of this Indenture Supplement;][6]

[WHEREAS, Company has, as provided in the Indenture, heretofore executed and delivered to Loan Trustee Indenture Supplement(s) for the purpose of specifically subjecting to the Lien of the Indenture certain airframes and/or engines therein described, which Indenture Supplement(s) is/are dated and has/have been duly recorded with the FAA as set forth below, to wit:

Date Recordation Date FAA Document Number][7]

NOW, THEREFORE, (x) to secure the prompt and complete payment (whether at stated maturity, by acceleration or otherwise) of principal of, Make-Whole Amount, if any, and interest on, the Equipment Notes and all other Secured Obligations payable by Company under the Operative Documents and the performance and observance by Company of all the agreements and covenants to be performed or observed by Company for the benefit of Noteholders and Indenture Indemnitees contained in the Operative Documents and (y) to secure the Related Secured Obligations, and in consideration of the premises and of the covenants contained in the Operative Documents and the Related Indentures, and for other good and valuable consideration given by Noteholders, Indenture Indemnitees and Related Indenture Indemnitees to Company at or before the Closing Date, the receipt and adequacy of which is hereby acknowledged, Company does hereby grant, bargain, sell, convey, transfer, mortgage, assign, pledge and confirm unto Loan Trustee and its successors in trust and permitted assigns, for the security and benefit of Noteholders, each Indenture Indemnitee and each Related Indenture Indemnitee, a first priority security interest in, and mortgage lien on, all estate, right, title and interest of Company in, to and under the Aircraft, including the Airframe and Engines described in Annex A attached hereto, whether or not any such Engine from time to time is installed on the Airframe or any other airframe or any other aircraft, and any and all Parts relating thereto, and, to the extent provided in the Indenture, all substitutions and replacements of, and additions, improvements, accessions and accumulations to, the Aircraft, including the Airframe, the Engines and any and all Parts (in each case other than Excluded Equipment) relating thereto;

[6] Use for Indenture Supplement No. 1 only.

[7] Use for all Indenture Supplements other than Indenture Supplement No. 1.

To have and to hold such first priority security interest in, and mortgage lien on all and singular the aforesaid property unto Loan Trustee, and its successors and permitted assigns, in trust for the equal and proportionate benefit and security of Noteholders, Indenture Indemnitees and Related Indenture Indemnitees, except as otherwise provided in the Indenture, including Section 2.13 and Article III of the Indenture, without any priority of any one Equipment Note over any other, or any Related 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 subject to the terms and provisions set forth in the Indenture.

This Indenture Supplement shall be construed as supplemental to the Indenture and shall form a part thereof, and the Indenture is hereby incorporated by reference herein and is hereby ratified, approved and confirmed.

THIS INDENTURE SUPPLEMENT HAS BEEN DELIVERED IN THE STATE OF NEW YORK AND SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF NEW YORK, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE.

[Signature Pages Follow.]

IN WITNESS WHEREOF, the undersigned have caused this Indenture Supplement No. _____ to be duly executed by their respective duly authorized officers, on the date first above written.

FEDERAL EXPRESS CORPORATION

By: _____
Name:
Title:

WILMINGTON TRUST COMPANY, not in its individual capacity, except as expressly provided herein, but solely as Loan Trustee

By: _____
Name:
Title:

Signature Page

Annex A
to Indenture Supplement No. ___
(N126FE)

DESCRIPTION OF AIRFRAME AND ENGINES

AIRFRAME

Manufacturer	Model	Generic Manufacturer Model	FAA Registration No.	Manufacturer's Serial No.
The Boeing Company	767-3S2F	Boeing 767-300F	N126FE	42718

ENGINES

Manufacturer	Model	Generic Manufacturer Model	Manufacturer's Serial Nos.
General Electric	CF6-80C2B6F	CF6-80C2	707327 707328

Each Engine has 550 or more rated take-off horsepower or the equivalent of such horsepower and is a jet propulsion aircraft engine having at least 1750 pounds of thrust or the equivalent of such thrust.

LIST OF PERMITTED COUNTRIES

Argentina
Australia
Austria
Bahamas
Barbados
Belgium
Bermuda Islands
Bolivia
Brazil
British Virgin Islands
Canada
Cayman Islands
Chile
Colombia
Czech Republic
Denmark
Ecuador
Egypt
Finland
France
Germany
Greece
Guatemala
Hong Kong
Hungary
Iceland
India
Indonesia
Ireland
Italy
Jamaica
Japan
Jordan
Kuwait
Liechtenstein
Luxembourg
Malaysia
Malta
Mexico
Monaco
Morocco
Netherlands Antilles
Netherlands, the
New Zealand
Norway
Panama
Peoples' Republic of China
Philippines
Poland
Portugal
Republic of China (Taiwan)
Russia
Singapore
South Africa
South Korea
Spain
Sweden
Switzerland
Thailand
Trinidad and Tobago
Turkey
United Kingdom
Uruguay
Venezuela

Exhibit C
to Indenture and
Security Agreement
(N126FE)

CERTAIN TERMS

Insurance Threshold:	$15,000,000

Schedule I
to Indenture and
Security Agreement

DESCRIPTION OF EQUIPMENT NOTES

	Original Principal Amount	Maturity Date
Series AA Equipment Notes:	$32,875,000.00	February 20, 2034

CERTAIN DEFINED TERMS

Defined Term	Definition
Debt Rate for Series AA Equipment Notes	1.875% per annum
Make-Whole Spread for Series AA Equipment Notes	0.002%

Schedule I
to Indenture and
Security Agreement
(Cont'd)

EQUIPMENT NOTES AMORTIZATION

SERIES AA EQUIPMENT NOTES
Boeing model 767-3S2F
N126FE

	N126FE	
Date	**Scheduled Payments of Principal**	**Equipment Note Ending Balance**
At Issuance	$ 0.00	$ 32,875,000.00
February 20, 2021	878,956.16	31,996,043.84
August 20, 2021	878,956.16	31,117,087.68
February 20, 2022	878,956.16	30,238,131.52
August 20, 2022	878,956.16	29,359,175.36
February 20, 2023	878,956.16	28,480,219.20
August 20, 2023	878,956.16	27,601,263.04
February 20, 2024	878,956.16	26,722,306.88
August 20, 2024	878,956.16	25,843,350.72
February 20, 2025	878,956.16	24,964,394.56
August 20, 2025	878,956.16	24,085,438.40
February 20, 2026	878,956.16	23,206,482.24
August 20, 2026	878,956.16	22,327,526.08
February 20, 2027	878,956.16	21,448,569.92
August 20, 2027	878,956.16	20,569,613.76
February 20, 2028	878,956.16	19,690,657.60
August 20, 2028	878,956.16	18,811,701.44
February 20, 2029	878,956.16	17,932,745.28
August 20, 2029	878,956.16	17,053,789.12
February 20, 2030	878,956.16	16,174,832.96
August 20, 2030	878,956.16	15,295,876.80
February 20, 2031	878,956.16	14,416,920.64
August 20, 2031	878,956.16	13,537,964.48
February 20, 2032	878,956.16	12,659,008.32
August 20, 2032	878,956.16	11,780,052.16
February 20, 2033	878,956.16	10,901,096.00
August 20, 2033	878,956.16	10,022,139.84
February 20, 2034	10,022,139.84	—

EQUIPMENT NOTES AMORTIZATION[8]

The portion of this Schedule appearing below this text is intentionally deleted from the FAA filing counterpart because the parties hereto deem it to contain confidential information.

[8] This page to be included only in the FAA filing package in the place of the completed amortization schedule.

Schedule II
to Indenture and
Security Agreement

PASS THROUGH TRUST AGREEMENT AND

PASS THROUGH TRUST SUPPLEMENT

Pass Through Trust Agreement, dated as of the Issuance Date, between Federal Express Corporation and Wilmington Trust Company, as trustee.

Annex A
to Indenture and
Security Agreement

DEFINITIONS
(N126FE)

"Additional Insureds" has the meaning specified in Section 7.06(a) of the Indenture.

"Additional Series" or "Additional Series Equipment Notes" means Equipment Notes issued under the Indenture and designated as a Series (other than "Series AA") thereunder in the principal amounts and maturities and bearing interest as specified in Schedule I to the Indenture amended at the time of original issuance of such Additional Series under the heading for such Series.

"Additional Series Pass Through Certificates" means the pass through certificates issued by any Additional Series Pass Through Trust.

"Additional Series Pass Through Trust" means a grantor trust created to facilitate the issuance and sale of pass through certificates in connection with the issuance of any Additional Series Equipment Notes.

"Additional Series Pass Through Trust Agreement" means a Trust Supplement entered into in connection with the creation of an Additional Series Pass Through Trust, together with the Basic Pass Through Trust Agreement, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Additional Series Pass Through Trustee" means, with respect to any Additional Series Pass Through Trust, the trustee under the Additional Series Pass Through Trust Agreement for such Additional Series Pass Through Trust.

"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" (including "controlled by" and "under common control with") shall mean 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. In no event shall WTC be deemed to be an Affiliate of Loan Trustee or vice versa.

"Agreement" and "Participation Agreement" mean that certain Participation Agreement (N126FE), dated on or before the Closing Date, among Company, WTC, Pass Through Trustee under the Pass Through Trust Agreement, Subordination Agent and Loan Trustee, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Aircraft" means the Airframe (or any Substitute Airframe or Replacement Airframe substituted therefor pursuant to Section 7.04 or Section 7.05, respectively, of the Indenture) together with the two Engines described in the Indenture Supplement originally executed and delivered under the Indenture (or any Replacement Engine that may from time to time be substituted for any of such Engines pursuant to Section 7.04 or Section 7.05 of the Indenture), whether or not any of such initial or substituted Engines is from time to time installed on such Airframe or installed on any other airframe or on any other aircraft. The term "Aircraft" includes any Replacement Aircraft.

"Aircraft Protocol" means the official English language text of the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment, adopted on November 16, 2001, at a diplomatic conference in Cape Town, South Africa, and all amendments, supplements, and revisions thereto (and from and after the effective date of the Cape Town Treaty in the relevant country, means when referring to the Aircraft Protocol with respect to that country, the Aircraft Protocol as in effect in such country, unless otherwise indicated).

"Airframe" means (a) the Boeing 767-3S2F generic manufacturer and model Boeing 767-300F aircraft (except (i) the Engines or engines from time to time installed thereon and any and all Parts related to such Engine or engines and (ii) Excluded Equipment) specified on Annex A to the Indenture Supplement originally executed and delivered under the Indenture and (b) any and all related Parts. The term "Airframe" includes any Substitute Airframe or Replacement Airframe that is substituted for the Airframe pursuant to Section 7.04 or Section 7.05, respectively, of the Indenture. At such time as any Substitute Airframe or Replacement Airframe is so substituted and the Airframe for which such substitution is made is released from the Lien of the Indenture, such replaced Airframe shall cease to be an Airframe under the Indenture.

"Appraisers" has the meaning set forth in the Intercreditor Agreement.

"Bankruptcy Code" means the United States Bankruptcy Code, 11 United States Code §§101 et seq., as amended from time to time, or any successor statutes thereto.

"Basic Pass Through Trust Agreement" means that certain Pass Through Trust Agreement, dated as of August 13, 2020, between Company and WTC, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms (but does not include any Trust Supplement).

"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 New York, New York, Memphis, Tennessee or, if different from the foregoing, the city and state in which Loan Trustee, any Pass Through Trustee or Subordination Agent maintains its Corporate Trust Office or receives and disburses funds.

"Cape Town Convention" means the official English language text of the Convention on International Interests in Mobile Equipment, adopted on November 16, 2001, at a diplomatic conference in Cape Town, South Africa, and all amendments, supplements, and revisions thereto (and from and after the effective date of the Cape Town Treaty in the relevant country, means when referring to the Cape Town Convention with respect to that country, the Cape Town Convention as in effect in such country, unless otherwise indicated).

"Cape Town Treaty" means, collectively, the official English language text of (a) the Convention on International Interests in Mobile Equipment, and (b) the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment, in each case adopted on November 16, 2001, at a diplomatic conference in Cape Town, South Africa, and from and after the effective date of the Cape Town Treaty in the relevant country, means when referring to the Cape Town Treaty with respect to that country, the Cape Town Treaty as in effect in such country, unless otherwise indicated, and (c) all rules and regulations adopted pursuant thereto and, in the case of each of the foregoing described in clauses (a) through (c), all amendments, supplements, and revisions thereto.

"Class AA Pass Through Trust" means the FedEx Pass Through Trust 2020-1AA created pursuant to the Basic Pass Through Trust Agreement, as supplemented by Trust Supplement No. 2020-1AA, dated as of the Issuance Date, between Company and Wilmington Trust Company, as Class AA Trustee.

"Class AA Trustee" means the trustee for the Class AA Pass Through Trust.

"Citizen of the United States" has the meaning specified for such term in Section 40102(a)(15) of Title 49 of the United States Code or any similar legislation of the United States enacted in substitution or replacement therefor.

"Claim" has the meaning specified in Section 4.02(a) of the Participation Agreement.

"Class AA Liquidity Facility" has the meaning set forth in the Intercreditor Agreement.

"Class AA Liquidity Provider" has the meaning set forth in the Intercreditor Agreement.

"Closing" has the meaning specified in Section 2.03 of the Participation Agreement.

"Closing Date" means the Issuance Date.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Collateral" has the meaning specified in the granting clause of the Indenture.

"Company" means Federal Express Corporation, and its successors and permitted assigns.

"Compulsory Acquisition" means requisition of title or other compulsory acquisition, capture, seizure, deprivation, confiscation or detention for any reason of the Aircraft, the Airframe or any Engine by any government that results in the loss of title or use of the Aircraft, the Airframe or any Engine by Company (or any Permitted Lessee) for a period in excess of 180 consecutive days, but shall exclude requisition for use or hire not involving requisition of title.

"Confidential Information" has the meaning specified in Section 10.16 of the Indenture.

"Controlling Party" has the meaning specified in Section 2.06 of the Intercreditor Agreement.

"Corporate Trust Office" has the meaning specified in Section 1.01 of the Intercreditor Agreement.

"CRAF Program" means the Civil Reserve Air Fleet Program authorized under 10 U.S.C. Section 9511 et seq. or any similar or substitute program under the laws of the United States.

"Debt Rate" means (i) with respect to any Series of Equipment Notes, the rate per annum specified for the applicable Series as such in Schedule I to the Indenture (as amended, in the case of any Series of Additional Series Equipment Notes, or new Additional Series Equipment Notes of any Series issued pursuant to Section 2.02 of the Indenture, at the time of issuance of such Series), 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 in each case any interest payable at the Past Due Rate.

"Defaulted Operative Indenture" means any Operative Indenture (the terms "Event of Default", "Equipment Notes" and "Payment Default" used in this definition have the meanings specified therefor in such Operative Indenture) with respect to which (i) a Payment Default has occurred and is continuing or an Event of Default described in Section 4.01(a) of such Operative Indenture has occurred and is continuing or (ii) an Event of Default other than an Event of Default described in Section 4.01(a) of such Operative Indenture has occurred and is continuing and, in any such case, either (x) the Equipment Notes issued thereunder have been accelerated and such acceleration has not been rescinded and annulled in accordance therewith or (y) the loan trustee under such Operative Indenture has given Company a notice of its intention to exercise one or more of the remedies specified in Section 4.02(a) of such Operative Indenture; provided that in the event of a bankruptcy proceeding under the Bankruptcy Code under which Company is a debtor, if and so long as the trustee or the debtor agrees to perform and performs all obligations of Company under such Operative Indenture and the Equipment Notes issued thereunder in accordance with Section 1110(a)(2) of the Bankruptcy Code and cures defaults under such Operative Indenture and Equipment Notes to the extent required by Section 1110(a)(2) of the Bankruptcy Code, such Operative Indenture shall not be a Defaulted Operative Indenture.

"Direction" has the meaning specified in Section 2.16 of the Indenture.

"Dollars" and "$" mean the lawful currency of the United States.

"Eligible Account" means an account established by and with an Eligible Institution at the request of Loan Trustee, which institution agrees, for all purposes of the NY UCC including Article 8 thereof, that (a) such account shall be a "securities account" (as defined in Section 8-501(a) of the NY UCC), (b) such institution is a "securities intermediary" (as defined in Section 8-102(a)(14) of the NY UCC), (c) all property (other than cash) credited to such account shall be treated as a "financial asset" (as defined in Section 8-102(a)(9) of the NY UCC), (d) Loan Trustee shall be the "entitlement holder" (as defined in Section 8-102(a)(7) of the NY UCC) in respect of such account, (e) it will comply with all entitlement orders issued by Loan Trustee to the exclusion of Company, (f) it will waive or subordinate in favor of Loan Trustee 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 NY UCC) shall be the State of New York.

"Eligible Institution" means the corporate trust department of (a) WTC or any other Person that becomes a successor Loan Trustee under the Indenture, in each case, acting solely in its capacity as a "securities intermediary" (as defined in Section 8- 102(a)(14) of the NY 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 Rating (or, in each case, if a Long-Term Rating is not available, its Short-Term Rating equivalent) from Moody's of at least A3 or its equivalent and S&P of at least A- or its equivalent.

"Engine" means (a) each of the two CF6-80C2B6F engines (generic manufacturer and model CF6-80C2) listed by manufacturer's serial number and further described on Annex A to the Indenture Supplement originally executed and delivered under the Indenture, whether or not from time to time installed on the Airframe or installed on any other airframe or on any other aircraft and (b) any Replacement Engine substituted for an Engine pursuant to Section 7.04 or 7.05 of the Indenture; together in each case with any and all related Parts but excluding Excluded Equipment. At such time as a Replacement Engine is so substituted and the Engine for which substitution is made is released from the Lien of the Indenture, such replaced Engine shall cease to be an Engine under the Indenture.

"Equipment Note" means and includes any equipment notes issued under the Indenture in the form specified in Section 2.01 thereof (as such form may be varied pursuant to the terms of the Indenture) and any Equipment Note issued in exchange therefor or replacement thereof pursuant to Section 2.07 or 2.08 of the Indenture.

"Equipment Note Register" has the meaning specified in Section 2.07 of the Indenture.

"Equipment Note Registrar" has the meaning specified in Section 2.07 of the Indenture.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder. Section references to ERISA are to ERISA as in effect at the date of the Participation Agreement and any subsequent provisions of ERISA amendatory thereof, supplemental thereto or substituted therefor.

"Event of Default" has the meaning specified in Section 4.01 of the Indenture.

"Event of Loss" means, with respect to the Aircraft, Airframe or any Engine, any of the following events with respect to such property:

(a) the loss of such property or of the use thereof due to destruction, damage beyond repair or rendition of such property permanently unfit for normal use for any reason whatsoever;

(b) any damage to such property which results in an insurance settlement with respect to such property on the basis of a total loss, a compromised total loss or a constructive total loss;

(c) the theft, hijacking or disappearance of such property for a period in excess of 180 consecutive days;

(d) the requisition for use or hire of such property by any government (other than a requisition for use or hire by a Government or the government of the country of registry of the Aircraft) that results in the loss of possession of such property by Company (or any Permitted Lessee) for a period in excess of 12 consecutive months;

(e) the operation or location of the Aircraft, while under requisition for use by any government, in any area excluded from coverage by any insurance policy in effect with respect to the Aircraft required by the terms of Section 7.06 of the Indenture, unless Company shall have obtained indemnity or insurance in lieu thereof from such government;

(f) any Compulsory Acquisition;

(g) as a result of any law, rule, regulation, order or other action by the FAA or other government of the country of registry, the use of the Aircraft or Airframe in the normal business of air transportation is prohibited by virtue of a condition affecting all aircraft of the same type for a period of 18 consecutive months, unless Company is diligently carrying forward all steps that are necessary or desirable to permit the normal use of the Aircraft or Airframe or, in any event, if such use is prohibited for a period of three consecutive years; and

(h) with respect to an Engine only, any divestiture of title to or interest in an Engine or any event with respect to an Engine that is deemed to be an Event of Loss with respect to such Engine pursuant to Section 7.02(a)(vii) of the Indenture.

An Event of Loss with respect to the Aircraft shall be deemed to have occurred if an Event of Loss occurs with respect to the Airframe unless Company elects to substitute a Replacement Airframe pursuant toSection 7.05(a)(i) of the Indenture.

"Excluded Equipment" means (i) defibrillators, enhanced emergency medical kits and other medical equipment, (ii) any items, equipment or systems leased by Company or any Permitted Lessee (other than items, equipment, or systems that are leased from Company pursuant to the applicable Lease) or owned by Company or any Permitted Lessee subject to a conditional sales agreement or a security interest (other than the security interest granted under the Indenture) and (iii) cargo containers.

"FAA" means the United States Federal Aviation Administration and any agency or instrumentality of the United States government succeeding to its functions.

"FAA Bill of Sale" means the bill of sale for the Aircraft on AC Form 8050-2 (or such other form as may be approved by the FAA) executed by Manufacturer or an affiliate of Manufacturer in favor of Company and recorded with the FAA.

"Federal Funds 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 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 WTC from three Federal funds brokers of recognized standing selected by it.

"Government" means the government of any of Canada, France, Germany, Japan, The Netherlands, Sweden, Switzerland, the United Kingdom or the United States and any instrumentality or agency thereof.

"Indemnitee" has the meaning specified in Section 4.02(b) of the Participation Agreement.

"Indenture" means that certain Indenture and Security Agreement (N126FE)], dated as of the Closing Date, between Company and Loan Trustee, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms, including supplementation by an Indenture Supplement pursuant to the Indenture.

"Indenture Indemnitee" means (i) Loan Trustee, (ii) WTC, (iii) each separate or successor or additional trustee appointed pursuant to Section 8.02 of the Indenture, (iv) so long as it holds any Equipment Notes as agent and trustee of any Pass Through Trustee, Subordination Agent, (v) the Liquidity Provider, (vi) so long as it is the holder of any Equipment Notes, each Pass Through Trustee, and (vii) any of their respective successors and permitted assigns in such capacities, directors, officers, employees, agents and servants. No holder of a Pass Through Certificate in its capacity as such shall be an Indenture Indemnitee.

"Indenture Supplement" means a supplement to the Indenture, substantially in the form of Exhibit A to the Indenture, which particularly describes the Aircraft, and any Substitute Airframe, Replacement Airframe and/or Replacement Engine, included in the property subject to the Lien of the Indenture.

"Insurance Threshold" is the amount set forth as the Insurance Threshold in Exhibit C to the Indenture.

"Intercreditor Agreement" means that certain Intercreditor Agreement, dated as of the Issuance Date, among the Pass Through Trustee, the Liquidity Provider and Subordination Agent, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms; provided that, for purposes of any obligations of Company, no amendment, modification or supplement to, or substitution or replacement of, such Intercreditor Agreement shall be effective unless consented to by Company.

"Interests" has the meaning specified in Section 7.06(a) of the Indenture.

"International Interest" has the meaning ascribed to the defined term "international interest" under the Cape Town Treaty.

"International Registry" means the international registry established pursuant to the Cape Town Treaty.

"Issuance Date" means August 13, 2020.

"Lease" means any lease permitted by the terms of Section 7.02(a) of the Indenture.

"Lien" means any mortgage, pledge, lien, encumbrance, lease, sublease, sub- sublease or security interest.

"Liquidity Facility" means, collectively, the Class AA Liquidity Facility.

"Liquidity Provider" means, collectively, Class AA Liquidity Provider.

"Loan Amount" has the meaning specified in Section 7.06(c) of the Indenture.

"Loan Trustee" has the meaning specified in the introductory paragraph of the Indenture.

"Loan Trustee Liens" means any Lien attributable to WTC or Loan Trustee with respect to the Aircraft, any interest therein or any other portion of the Collateral arising as a result of (i) claims against WTC or Loan Trustee not related to its interest in the Aircraft or the administration of the Collateral pursuant to the Indenture, (ii) acts of WTC or Loan Trustee not permitted by, or the failure of WTC or Loan Trustee to take any action required by, the Operative Documents or the Pass Through Documents, (iii) claims against WTC or Loan Trustee relating to Taxes or Claims that are excluded from the indemnification provided by Section 4.02 of the Participation Agreement pursuant to said Section 4.02 or (iv) claims against WTC or Loan Trustee arising out of the transfer by any such party of all or any portion of its interest in the Aircraft, the Collateral, the Operative Documents or the Pass Through Documents, except while an Event of Default is continuing and prior to the time that Loan Trustee has received all amounts due to it pursuant to the Indenture.

"Long-Term Rating" has the meaning specified in the Intercreditor Agreement.

"Loss Payment Date" has the meaning specified in Section 7.05(a) of the Indenture.

"Majority in Interest of Noteholders" means, as of a particular date of determination and subject to Section 2.16 of the Indenture, the holders of at least a majority in aggregate unpaid principal amount of all Equipment Notes outstanding as of such date (excluding any Equipment Notes actually known by Loan Trustee to be held by Company or any Affiliate thereof, it being understood that a Pass Through Trustee shall be considered an Affiliate of Company as long as more than 50% in the aggregate face amount of Pass Through Certificates issued by the corresponding Pass Through Trust are held and able to be voted by Company or an Affiliate of Company or a Pass Through Trustee is otherwise under the control of Company or such Affiliate of Company (unless all Equipment Notes then outstanding are held by Company or any Affiliate thereof, including Pass Through Trustees which are considered Affiliates of Company pursuant hereto)); provided that for the purposes of directing any action or casting any vote or giving any consent, waiver or instruction hereunder, any Noteholder of an Equipment Note or Equipment Notes may allocate, in such Noteholder'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.

"Make-Whole Amount" means, with respect to any Equipment Note, the amount (as determined by an independent investment banker selected by Company (and, following the occurrence and during the continuance of an Event of Default, reasonably acceptable to Loan Trustee)), if any, by which (i) the present value of the remaining scheduled payments of principal and interest from the redemption date to maturity of such Equipment Note computed by discounting each such payment on a semiannual basis from its respective Payment Date (assuming a 360-day year of twelve 30 day months) using a discount rate equal to the Treasury Yield plus the Make-Whole Spread exceeds (ii) the outstanding principal amount of such Equipment Note plus accrued but unpaid interest thereon to the date of redemption. For purposes of determining the Make-Whole Amount, "Treasury Yield" means, at the date of determination, the interest rate (expressed as a semiannual equivalent and as a decimal rounded to the number of decimal places as appears in the Debt Rate of such Equipment Note and, in the case of United States Treasury bills, converted to a bond equivalent yield) determined to be the per annum rate equal to the semiannual yield to maturity for United States Treasury securities maturing on the Average Life Date and trading in the public securities market either as determined by interpolation between the most recent weekly average constant maturity, non-inflation-indexed series yield to maturity for two series of United States Treasury securities, trading in the public securities markets, (A) one maturing as close as possible to, but earlier than, the Average Life Date and (B) the other maturing as close as possible to, but later than, the Average Life Date, in each case as reported in the most recent H.15 Page or, if a weekly average constant maturity, non-inflation indexed series yield to maturity for United States Treasury securities maturing on the Average Life Date is reported in the most recent H.15 Page, such weekly average yield to maturity as reported in such H.15 Page. "H.15 Page" means the H.15 Page published by the Board of Governors of the Federal Reserve System on its website (or successor publication of such information by such Board of Governors). The date of determination of a Make-Whole Amount shall be the third Business Day prior to the applicable redemption date and the "most recent H.15 Page" means the H.15 Page published prior to the close of business on the third Business Day prior to the applicable redemption date. "Average Life Date" means, for each Equipment Note to be redeemed, the date which follows the redemption date by a period equal to the Remaining Weighted Average Life at the redemption date of such Equipment Note. "Remaining Weighted Average Life" of an Equipment Note, at the redemption date of such Equipment Note, means the number of days equal to the quotient obtained by dividing: (i) the sum of the products obtained by multiplying (A) the amount of each then remaining installment of principal, including the payment due on the maturity date of such Equipment Note, by (B) the number of days from and including the redemption date to but excluding the scheduled Payment Date of such principal installment by (ii) the then unpaid principal amount of such Equipment Note. Loan Trustee shall have no obligation to calculate, or verify the calculation of, the Make- Whole Amount.

"Make-Whole Spread" means, with respect to any Series of Equipment Notes, the percentage specified for the applicable Series as such in Schedule I to the Indenture (as amended, in the case of any Additional Series, or new Additional Series issued pursuant to Section 2.02 of the Indenture, at the time of issuance of such Series).

"Manufacturer" means The Boeing Company, a Delaware corporation, and its successors and assigns.

"Manufacturer's Consent" means the Manufacturer's Consent and Agreement to Assignment of Warranties, dated as of the Closing Date, substantially in the form of Exhibit D to the Participation Agreement.

"MCMV" has the meaning in the case of the Airframe and any Substitute Airframe, specified in Section 7.04(e) of the Indenture.

"Minimum Insurance Amount" has the meaning specified in Section 7.06(a) of the Indenture.

"Moody's" means Moody's Investors Service, Inc.

"Noteholder" means any Person in whose name an Equipment Note is registered on the Equipment Note Register (including, for so long as it is the registered holder of any Equipment Notes, Subordination Agent on behalf of Pass Through Trustees pursuant to the provisions of the Intercreditor Agreement).

"Noteholder Liens" means any Lien attributable to any Noteholder on or against the Aircraft, any interest therein or any other portion of the Collateral, arising out of any claim against such Noteholder that is not related to the Operative Documents or Pass Through Documents, or out of any act or omission of such Noteholder that is not related to the transactions contemplated by, or that constitutes a breach by such Noteholder of its obligations under, the Operative Documents or the Pass Through Documents.

"NY UCC" means the UCC as in effect in the State of New York.

"Operative Documents" means, collectively, the Participation Agreement, the Indenture, each Indenture Supplement, the Manufacturer's Consent and the Equipment Notes.

"Operative Indentures" means, as of any date, each "Indenture" (as such term is defined in the Intercreditor Agreement), dated as of the date of the Indenture, including the Indenture, but only if as of such date all "Equipment Notes" (as defined in each such "Indenture") are held by "Subordination Agent" under the "Intercreditor Agreement", as such terms are defined in each such "Indenture".

"Other Party Liens" means any Lien attributable to any Pass Through Trustee (other than in its capacity as Noteholder), Subordination Agent (other than in its capacity as Noteholder) or the Liquidity Provider on or against the Aircraft, any interest therein, or any other portion of the Collateral arising out of any claim against such party that is not related to the Operative Documents or Pass Through Documents, or out of any act or omission of such party that is not related to the transactions contemplated by, or that constitutes a breach by such party of its obligations under, the Operative Documents or the Pass Through Documents.

"Parent" means FedEx Corporation, a Delaware corporation (as defined in the Intercreditor Agreement).

"Parent Guarantee" means the guarantee, dated as of the Closing Date, provided by Parent for the benefit of the Trustee, the Subordination Agent and the Loan Trustee (each as defined in the Intercreditor Agreement), as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Participation Agreement" has the meaning set forth under the definition of "Agreement".

"Parts" means any and all appliances, parts, instruments, appurtenances, accessories, furnishings and other equipment of whatever nature (other than (a) complete Engines or engines and (b) Excluded Equipment), so long as the same are incorporated or installed in or attached to the Airframe or any Engine or so long as the same are subject to the Lien of the Indenture in accordance with the terms of Section 7.04 thereof after removal from the Airframe or any Engine.

"Pass Through Certificates" means the pass through certificates issued by any Pass Through Trust (and any other pass through certificates for which such pass through certificates may be exchanged).

"Pass Through Documents" means the Pass Through Trust Agreement, the Intercreditor Agreement and the Liquidity Facility.

"Pass Through Trust" means the grantor trust that has been created pursuant to the Pass Through Trust Agreement to facilitate certain of the transactions contemplated by the Operative Documents.

"Pass Through Trust Agreement" means the Trust Supplement relating to the Class AA Pass Through Trust, together with the Basic Pass Through Trust Agreement, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Pass Through Trustee" means the trustee under the Pass Through Trust Agreement, together with any successor in interest and any successor or other trustee appointed as provided in the Pass Through Trust Agreement.

"Past Due Rate" means the lesser of (a) with respect to (i) any payment made to a Noteholder under any Series of Equipment Notes, the Debt Rate then applicable to such Series plus 1% and (ii) any other payment made under any Operative Document to any other Person, the Debt Rate plus 1% (computed on the basis of a year of 360 days comprised of twelve 30-day months) and (b) the maximum rate permitted by applicable law.

"Payment Date" means, for any Equipment Note, each February 20 and August 20, commencing with February 20, 2021.

"Payment Default" means the occurrence of an event that would give rise to an Event of Default under Section 4.01(a) of the Indenture upon the giving of notice or the passing of time or both.

"Permitted Investments" means each of (a) direct obligations of the United States and agencies thereof; (b) obligations fully guaranteed by the United States; (c) certificates of deposit issued by, or bankers' acceptances of, or time deposits with, any bank, trust company or national banking association incorporated or doing business under the laws of the United States or one of the states thereof having combined capital and surplus and retained earnings of at least $100,000,000 and having a Long-Term Rating (or its Short- Term Rating equivalent) from either Moody's of at least Aa3 (or its equivalent) or S&P of at least AA- (or its equivalent) (or, if neither such organization then rates such institutions, an equivalent long-term rating or short-term rating from any nationally recognized rating organization in the United States); (d) commercial paper of any holding company of a bank, trust company or national banking association described in clause (c); (e) commercial paper of companies having a Short-Term Rating assigned to such commercial paper by either Moody's or S&P (or, if neither such organization then rates such commercial paper, by any nationally recognized rating organization in the United States) equal to the highest rating assigned by such organization; (f) Dollar-denominated certificates of deposit issued by, or time deposits with, the European subsidiaries of (i) any bank, trust company or national banking association described in clause (c), or (ii) any other bank or financial institution described in clause (g), (h) or (j) below; (g) United States-issued Yankee certificates of deposit issued by, or bankers' acceptances of, or commercial paper issued by, any bank having combined capital and surplus and retained earnings of at least $100,000,000 and headquartered in Canada, Japan, the United Kingdom, France, Germany, Switzerland or The Netherlands and having a Long-Term Rating (or its Short-Term Rating equivalent) from either Moody's of at least Aa3 (or its equivalent) or S&P of at least AA- (or its equivalent) (or, if neither such organization then rates such institutions, an equivalent long-term rating or short-term rating from any nationally recognized rating organization in the United States); (h) Dollar-denominated time deposits with any Canadian bank having a combined capital and surplus and retained earnings of at least $100,000,000 and having a Long-Term Rating (or its Short- Term Rating equivalent) from either Moody's of at least Aa3 (or its equivalent) or S&P of at least AA- (or its equivalent) (or, if neither such organization then rates such institutions, an equivalent long-term rating or short-term rating from any nationally recognized rating organization in the United States); (i) Canadian Treasury Bills fully hedged to Dollars; (j) repurchase agreements with any financial institution having combined capital and surplus and retained earnings of at least $100,000,000 collateralized by transfer of possession of any of the obligations described in clauses (a) through (i) above; (k) bonds, notes or other obligations of any state of the United States, or any political subdivision of any state, or any agencies or other instrumentalities of any such state, including, but not limited to, industrial development bonds, pollution control revenue bonds, public power bonds, housing bonds, other revenue bonds or any general obligation bonds, that, at the time of their purchase, such obligations have a Long-Term Rating (or its Short-Term Rating equivalent) from either Moody's of at least Aa3 (or its equivalent) or S&P of at least AA- (or its equivalent) (or, if neither such organization then rates such obligations, an equivalent long-term rating or short-term rating from any nationally recognized rating organization in the United States); (l) bonds or other debt instruments of any company, if such bonds or other debt instruments, at the time of their purchase, have a Long-Term Rating (or its Short-Term Rating equivalent) from either Moody's of at least Aa3 (or its equivalent) or S&P of at least AA- (or its equivalent) (or, if neither such organization then rates such obligations, an equivalent long-term rating or short-term rating from any nationally recognized rating organization in the United States); (m) mortgage backed securities (i) guaranteed by the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation or the Government National Mortgage Association or having a Long-Term Rating (or its Short-Term Rating equivalent) from either Moody's of at least Aa3 (or its equivalent) or S&P of at least AA- (or its equivalent) (or, if neither such organization then rates such securities, an equivalent long-term rating or short-term rating from any nationally recognized rating organization in the United States) or, if unrated, deemed to be of a comparable quality by Loan Trustee and (ii) having an average life not to exceed one year as determined by standard industry pricing practices presently in effect; (n) asset-backed securities having a Long-Term Rating (or its Short-Term Rating equivalent) from either Moody's of at least Aa3 (or its equivalent) or S&P of at least AA- (or its equivalent) (or, if neither such organization then rates such securities, an equivalent long-term rating or short-term rating from any nationally recognized rating organization in the United States) or, if unrated, deemed to be of a comparable quality by Loan Trustee; and (o) such other investments approved in writing by Loan Trustee; provided that the instruments described in the foregoing clauses shall have a maturity no later than the earlier of (i) 365 days following the date of their purchase and (ii) the date when such investments may be required for distribution. The bank acting as Pass Through Trustee or Loan Trustee is hereby authorized, in making or disposing of any investment described herein, to deal with itself (in its individual capacity) or with any one or more of its affiliates, whether it or such affiliate is acting as an agent of Pass Through Trustee or Loan Trustee or for any third person or dealing as principal for its own account.

"Permitted Lessee" means any Person to whom Company is permitted to lease the Airframe or any Engine pursuant to Section 7.02(a) of the Indenture and is a party to a Lease.

"Permitted Lien" has the meaning specified in Section 7.01 of the Indenture.

"Person" means any person, including any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, trustee, unincorporated organization or government or any agency or political subdivision thereof.

"Product Assurance Document" means the Product Assurance Document attached as Exhibit C to the Aircraft General Terms Agreement AGTA-FED, dated as of November 7, 2006.

"Purchase Agreement" means Purchase Agreement No. 3712, dated as of December 14, 2011, which incorporates by reference the Aircraft General Terms Agreement AGTA-FED, dated as of November 7, 2006, between Manufacturer and Company, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Rating Agencies" has the meaning specified in the Intercreditor Agreement.

"Related Additional Series Equipment Note" means, with respect to any particular Series of Additional Series Equipment Notes and as of any date, an "Additional Series Equipment Note", as defined in each Related Indenture, having the same designation (*i.e.*, "Series B", "Series C" or the like) as such Series of Additional Series Equipment Notes, but only if as of such date it is held by "Subordination Agent" under the "Intercreditor Agreement", as such terms are defined in such Related Indenture.

"Related Equipment Note" means, as of any date, an "Equipment Note" as defined in each Related Indenture, but only if as of such date it is held by "Subordination Agent" under the "Intercreditor Agreement", as such terms are defined in such Related Indenture.

"Related Indenture" means each Operative Indenture (other than the Indenture).

"Related Indenture Indemnitee" means each Related Noteholder. "Related Loan Trustee" means "Loan Trustee" as defined in each Related Indenture.

"Related Make-Whole Amount" means the "Make-Whole Amount", as defined in each Related Indenture.

"Related Noteholder" means a registered holder of a Related Equipment Note.

"Related Secured Obligations" means, as of any date, the outstanding principal amount of the Related Equipment Notes issued under each Related Indenture, the accrued and unpaid interest (including, to the extent permitted by applicable law, post-petition interest and interest on any overdue amounts) due thereon in accordance with such Related Indenture as of such date, the Related Make-Whole Amount, if any, with respect thereto due thereon in accordance with such Related Indenture as of such date, and any other amounts payable as of such date under the "Operative Documents" (as defined in each Related Indenture).

"Related Series AA Equipment Note" means, as of any date, a "Series AA Equipment Note", as defined in each Related Indenture, but only if as of such date it is held by "Subordination Agent" under the "Intercreditor Agreement", as such terms are defined in such Related Indenture.

"Replacement Aircraft" means the Aircraft of which a Replacement Airframe is part.

"Replacement Airframe" means a Boeing 767-3S2F aircraft or a comparable or improved model of Manufacturer (except (a) Engines or engines from time to time installed thereon and any and all Parts related to such Engine or engines and (b) Excluded Equipment), that shall have been made subject to the Lien of the Indenture pursuant to Section 7.05 thereof, together with all Parts relating to such aircraft.

"Replacement Engine" means a CF6-80C2B6F engine (or an engine of the same or another manufacturer of a comparable or an improved model and suitable for installation and use on the Airframe with the other Engine (or any other Replacement Engine being substituted simultaneously therewith)) that is made subject to the Lien of the Indenture pursuant to Section 7.04 or Section 7.05 thereof, together with all Parts relating to such engine.

"Replacement Liquidity Facility" has the meaning set forth in the Intercreditor Agreement.

"Replacement Liquidity Provider" has the meaning set forth in the Intercreditor Agreement.

"Responsible Officer" means, with respect to Company, its Chief Executive Officer, Chairman of the Board, its President, its Chief Operating Officer, any Executive Vice President, any Senior Vice President, the Chief Financial Officer, any Vice President, the Treasurer, the Assistant Treasurer, the Controller, the Assistant Secretary or the Secretary.

"S&P" means Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business.

"Section 1110" means Section 1110 of the Bankruptcy Code.

"Secured Obligations" has the meaning specified in Section 2.06 of the Indenture.

"Securities Account" has the meaning specified in Section 3.07 of the Indenture.

"Securities Act" means the Securities Act of 1933, as amended from time to time.

"Securities and Exchange Commission" means the United States Securities and Exchange Commission and any agency or instrumentality of the United States government succeeding to its functions.

"Securities Intermediary" has the meaning specified in Section 3.07 of the Indenture.

"Series" means any series of Equipment Notes, including the Series AA Equipment Notes, or if issued, any Additional Series Equipment Notes.

"Series AA" or "Series AA Equipment Notes" means Equipment Notes issued and designated as "Series AA Equipment Notes" under the Indenture, in the original principal amount and maturities as specified in Schedule I to the Indenture under the heading "Series AA Equipment Notes" and bearing interest at the Debt Rate for Series AA Equipment Notes specified in Schedule I to the Indenture.

"Short-Term Rating" has the meaning specified in the Intercreditor Agreement.

"Subordination Agent" has the meaning specified in the introductory paragraph of the Participation Agreement.

"Substitute Aircraft" means an airframe of a different model of the same or different manufacturer as the Airframe, together with two engines suitable for installation and use on such airframe.

"Substitute Airframe" means a Boeing 767-3S2F aircraft or a comparable or improved model of Manufacturer (except (a) Engines or engines from time to time installed thereon and any and all Parts related to such Engine or engines and (b) Excluded Equipment), that shall have been made subject to the Lien of the Indenture pursuant to Section 7.04 thereof, together with all Parts relating to such aircraft.

"Tax" and "Taxes" mean all governmental fees (including, without limitation, license, filing and registration fees) and all taxes (including, without limitation, franchise, excise, stamp, value added, income, gross receipts, sales, use and property taxes), withholdings, assessments, levies, imposts, duties or charges, of any nature whatsoever, together with any related penalties, fines, additions to tax or interest thereon imposed, withheld, levied or assessed by any country, taxing authority or governmental subdivision thereof or therein or by any international authority, including any taxes imposed on any Person as a result of such Person being required to collect and pay over withholding taxes.

"Transportation Code" means that portion of Title 49 of the United States Code comprising those provisions formerly referred to as the Federal Aviation Act of 1958, as amended, or any subsequent legislation that amends, supplements or supersedes such provisions.

"Trust Indenture Act" means the Trust Indenture Act of 1939, as amended from time to time.

"Trust Officer" means any officer within the Corporate Trust Office of Loan Trustee, including any vice president, assistant vice president, assistant secretary, assistant treasurer or any other officer of Loan Trustee who shall have direct responsibility for the administration of the Indenture, or any other officer of Loan Trustee to whom such matter is referred because of his or her knowledge of and familiarity with the particular subject.

"Trust Supplement" means that agreement supplemental to the Basic Pass Through Trust Agreement referred to in Schedule II to the Participation Agreement.

"UCC" means the Uniform Commercial Code as in effect in any applicable jurisdiction.

"United States" means the United States of America.

"WTC" has the meaning specified in the introductory paragraph of the Participation Agreement.

"Warranty Rights" means all right and interest of Company in, to and under Parts 1, 2, 3, 4, and 6 of the Product Assurance Document attached as Exhibit C to the Aircraft General Terms Agreement AGTA-FED, dated as of November 7, 2006, but only to the extent the same relate to continuing rights of Company in respect of any warranty or indemnity, express or implied, pursuant to the Product Assurance Document with respect to the Airframe, it being understood that the Warranty Rights exclude any and all other right, title and interest of Company in, to and under the Purchase Agreement and that the Warranty Rights and the grant of a security interest therein are subject to the terms of the Manufacturer's Consent.

Exhibit 4.10

EXECUTION VERSION

INDENTURE AND SECURITY AGREEMENT

(N869FD)

Dated as of August 13, 2020

between

FEDERAL EXPRESS CORPORATION,

and

WILMINGTON TRUST COMPANY,

as Loan Trustee

One Boeing 777FS2

Generic Manufacturer and Model Boeing 777F Aircraft
U.S. Registration No. N869FD

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INDENTURE AND SECURITY AGREEMENT
(N869FD)

This INDENTURE AND SECURITY AGREEMENT (N869FD), dated as of August 13, 2020, is made by and between FEDERAL EXPRESS CORPORATION, a Delaware corporation (together with its successors and permitted assigns, "Company"), and WILMINGTON TRUST COMPANY, a Delaware trust company, not in its individual capacity, except as expressly stated herein, but solely as Loan Trustee hereunder (together with its permitted successors hereunder, "Loan Trustee").

W I T N E S S E T H:

WHEREAS, the parties desire by this Indenture (such term and other capitalized terms used herein without definition being defined as provided in Article I), among other things, to provide for (i) the issuance by Company of the Equipment Notes specified on Schedule I hereto and one or more Additional Series and (ii) the grant, bargain, sale, conveyance, transfer, mortgage, assignment, pledge and confirmation by Company to Loan Trustee, as part of the Collateral hereunder, among other things, of a first priority security interest in, and mortgage lien on, all of Company's estate, right, title and interest in and to the Aircraft, as security for, among other things, Company's obligations to Loan Trustee, for the equal and proportionate benefit and security of Noteholders, Indenture Indemnitees and Related Indenture Indemnitees, subject to Section 2.13 and Article III;

WHEREAS, all things have been done to make the Equipment Notes of the Series listed on Schedule I hereto, when executed by Company and authenticated and delivered by Loan Trustee hereunder, the valid, binding and enforceable obligations of Company; and

WHEREAS, all things necessary to make this Indenture a legal, valid and binding obligation of Company for the uses and purposes herein set forth, in accordance with its terms, have been done and performed and have occurred;

GRANTING CLAUSE

NOW, THEREFORE, (x) to secure the prompt and complete payment (whether at stated maturity, by acceleration or otherwise) of principal of, Make-Whole Amount, if any, and interest on, the Equipment Notes and all other Secured Obligations payable by Company under the Operative Documents and the performance and observance by Company of all the agreements and covenants to be performed or observed by Company for the benefit of Noteholders and Indenture Indemnitees contained in the Operative Documents and (y) to secure the Related Secured Obligations, and in consideration of the premises and of the covenants contained in the Operative Documents and the Related Indentures, and for other good and valuable consideration given by Noteholders, Indenture Indemnitees and Related Indenture Indemnitees to Company at or before the Closing Date, the receipt and adequacy of which is hereby acknowledged, Company does hereby grant, bargain, sell, convey, transfer, mortgage, assign, pledge and confirm unto Loan Trustee and its successors in trust and permitted assigns, for the security and benefit of Noteholders, each Indenture Indemnitee and each Related Indenture Indemnitee, a first priority security interest in, and mortgage lien on, all estate, right, title and interest of Company in, to and under, all and singular, the following described properties, rights, interests and privileges, whether now owned or hereafter acquired (which, collectively, together with all property hereafter specifically subject to the Lien of this Indenture by the terms hereof or any supplement hereto, are included within, and are referred to as, the "Collateral"):

(1) the Aircraft, including the Airframe and the Engines, whether or not any such Engine from time to time is installed on the Airframe or any other airframe or any other aircraft, and any and all Parts relating thereto, and, to the extent provided herein, all substitutions and replacements of, and additions, improvements, accessions and accumulations to, the Aircraft, including the Airframe, the Engines and any and all Parts (in each case other than Excluded Equipment) relating thereto (such Airframe and Engines as more particularly described in the Indenture Supplement executed and delivered with respect to the Aircraft on the Closing Date or with respect to any substitutions or replacements therefor) and together with all logs, manuals, modification and maintenance records at any time required to be maintained with respect to the Aircraft in accordance with the rules and regulations of the FAA if the Aircraft is registered under the laws of the United States or the rules and regulations of the government of the country of registry if the Aircraft is registered under the laws of a jurisdiction other than the United States;

(2) the Warranty Rights, together with all rights, powers, privileges, options and other benefits of Company under the same;

(3) all requisition proceeds with respect to the Aircraft or any Part thereof, and all insurance proceeds with respect to the Aircraft or any Part thereof, but excluding all proceeds of, and rights under, any insurance maintained by Company and not required, or in excess of that required, under Section 7.06(c);

(4) all monies and securities held by Loan Trustee pursuant to paragraph (vii) of clause "third" of Section 3.03, all rents, revenues and other proceeds collected by Loan Trustee pursuant to Section 4.02(a), all monies and securities from time to time paid or deposited or required to be paid or deposited to or with Loan Trustee by or for the account of Company pursuant to any term of any Operative Document and held or required to be held by Loan Trustee hereunder or thereunder, including the Securities Account and all monies and securities deposited into the Securities Account; and

(5) 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, Company or, if a lease to a Permitted Lessee is then in effect, such Permitted Lessee, shall have the right, to the exclusion of Loan Trustee, (i) to quiet enjoyment of the Aircraft, the Airframe, the Parts and the Engines, and to possess, use, retain and control the Aircraft, the Airframe, the Parts and the Engines and all revenues, income and profits derived therefrom and (ii) with respect to the Warranty Rights, to exercise in Company's name all rights and powers of Company under the Warranty Rights and to retain any recovery or benefit resulting from the enforcement of any warranty or indemnity or other obligation under the Warranty Rights; provided, further, that notwithstanding the occurrence and continuation of an Event of Default, Loan Trustee shall not enter into any amendment or modification of the Purchase Agreement that would alter the rights, benefits or obligations of Company thereunder;

TO HAVE AND TO HOLD such first priority security interest in, and mortgage lien on all and singular the aforesaid property unto Loan Trustee, and its successors and permitted assigns, in trust for the equal and proportionate benefit and security of Noteholders, Indenture Indemnitees and Related Indenture Indemnitees, except as otherwise provided in this Indenture, including Section 2.13 and Article III, without any priority of any one Equipment Note over any other, or any Related 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 paragraphs (1) through (5) inclusive above, subject to the terms and provisions set forth in this Indenture.

It is expressly agreed that notwithstanding anything herein to the contrary, Company shall remain liable under the Purchase Agreement to perform all of its obligations thereunder, and, except to the extent expressly provided in any Operative Document, none of Loan Trustee, any Noteholder, any other Indenture Indemnitee or any Related Indenture Indemnitee shall be required or obligated in any manner to perform or fulfill any obligations of Company under or pursuant to any Operative Document, or have any obligation or liability under the Purchase Agreement by reason of or arising out of the assignment hereunder, or to make any inquiry as to the nature or sufficiency of any payment received by it, or present or file any claim or take any action to collect or enforce the payment of any amount that may have been assigned to it or to which it may be entitled at any time or times.

Notwithstanding anything herein to the contrary (but without in any way releasing Company from any of its duties or obligations under the Purchase Agreement), Loan Trustee, Noteholders, other Indenture Indemnitees and Related Indenture Indemnitees confirm for the benefit of Manufacturer that in exercising any rights under the Warranty Rights, or in making any claim with respect to the Aircraft or other goods and services delivered or to be delivered pursuant to the Purchase Agreement, the terms and conditions of the Purchase Agreement relating to the Warranty Rights, including, without limitation, the warranty disclaimer provisions for the benefit of Manufacturer, shall apply to and be binding upon Loan Trustee, Noteholders, other Indenture Indemnitees and Related Indenture Indemnitees to the same extent as Company. Company hereby directs Manufacturer, so long as an Event of Default shall have occurred and be continuing, to pay all amounts, if any, payable to Company pursuant to the Warranty Rights directly to Loan Trustee to be held and applied as provided herein. Nothing contained herein shall subject Manufacturer to any liability to which it would not otherwise be subject under the Purchase Agreement or modify in any respect the contract rights of Manufacturer thereunder except as provided in the Manufacturer's Consent.

Subject to the terms and conditions hereof, Company does hereby irrevocably constitute Loan Trustee the true and lawful attorney of Company (which appointment is coupled with an interest) with full power (in the name of Company or otherwise) to ask for, require, demand and receive any and all monies and claims for monies (in each case including insurance and requisition proceeds) due and to become due to Company under or arising out of the Purchase Agreement (to the extent assigned hereby), 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 Loan Trustee may deem to be necessary or advisable in the premises; provided that Loan Trustee shall not exercise any such rights except during the continuance of an Event of Default. Company agrees that, promptly upon receipt thereof, to the extent required by the Operative Documents, it will transfer to Loan Trustee any and all monies from time to time received by Company constituting part of the Collateral, for distribution by Loan Trustee pursuant to this Indenture.

Company does hereby warrant and represent that it has not sold, assigned or pledged, and hereby covenants and agrees that it will not sell, assign or pledge, so long as this Indenture shall remain in effect and the Lien hereof shall not have been released pursuant to the provisions hereof, any of its estate, right, title or interest hereby assigned, to any Person other than Loan Trustee, except as otherwise provided in or permitted by any Operative Document.

Company agrees that at any time and from time to time, upon the written request of Loan Trustee, Company shall promptly and duly execute and deliver or cause to be duly executed and delivered any and all such further instruments and documents as Loan Trustee 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 Loan Trustee the full benefit of the assignment hereunder and of the rights and powers herein granted; provided that any instrument or other document so executed by Company will not expand any obligations or limit any rights of Company in respect of the transactions contemplated by the Operative Documents.

IT IS HEREBY COVENANTED AND AGREED by and between the parties hereto as follows:

ARTICLE I

Definitions

Section 1.01 Definitions. For all purposes of this Indenture, unless the context otherwise requires, capitalized terms used but not defined herein have the respective meanings set forth or incorporated by reference in Annex A.

Section 1.02 Other Definitional Provisions.

(a) The definitions stated herein and in Annex A apply equally to both the singular and the plural forms of the terms defined.

(b) All references in this Indenture to designated "Articles", "Sections", "Subsections", "Schedules", "Exhibits", "Annexes" and other subdivisions are to the designated Article, Section, Subsection, Schedule, Exhibit, Annex or other subdivision of this Indenture, unless otherwise specifically stated.

(c) The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section, Subsection, Schedule, Exhibit, Annex or other subdivision.

(d) Unless the context otherwise requires, whenever the words "including", "include" or "includes" are used herein, they shall be deemed to be followed by the phrase "without limitation".

(e) All references in this Indenture to a "government" are to such government and any instrumentality or agency thereof.

(f) All references in this Indenture to a Person shall include successors and permitted assigns of such Person.

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 OR OTHER JURISDICTION. ACCORDINGLY, THIS EQUIPMENT NOTE MAY NOT BE OFFERED FOR SALE OR SOLD UNLESS EITHER REGISTERED UNDER THE ACT AND SUCH APPLICABLE STATE OR OTHER LAWS OR AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS IS AVAILABLE. IN ADDITION, THIS EQUIPMENT NOTE IS SUBJECT TO RESTRICTIONS ON TRANSFER PURSUANT TO THE PARTICIPATION AGREEMENT REFERRED TO HEREIN.

FEDERAL EXPRESS CORPORATION

SERIES 2020-1AA-N869FD

EQUIPMENT NOTE DUE FEBRUARY 20, 2034

ISSUED IN CONNECTION WITH THE BOEING MODEL 777FS2 GENERIC MANUFACTURER AND MODEL BOEING MODEL 777F AIRCRAFT BEARING UNITED STATES REGISTRATION NUMBER N869FD

No. _____ Date: _____

DEBT RATE	MATURITY DATE
_____	_____

FEDERAL EXPRESS CORPORATION (together with its successors and permitted assigns, "Company") hereby promises to pay to , or the registered assignee thereof, the principal amount of _____ Dollars ($_____) in installments on the Payment Dates set forth in Schedule I hereto, each such installment to be in an amount computed by multiplying the original principal amount of this Equipment Note by the percentage set forth in Schedule I hereto opposite the Payment Date on which such installment is due, and to pay interest in arrears on each Payment Date at the Debt Rate shown above on the principal amount remaining unpaid from time to time (calculated on the basis of a year of 360 days comprised of twelve 30-day months) from the date hereof, or from the most recent date to which interest hereon has been paid or duly provided for, until paid in full. Notwithstanding the foregoing, the final payment made on this Equipment Note shall be in an amount sufficient to discharge in full the unpaid principal 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 with the same force and effect as if made on such scheduled date, and if payment is made on such next succeeding Business Day, no interest shall accrue on the amount of such payment from and after such scheduled date.

For purposes hereof, the term "Indenture" means the Indenture and Security Agreement (N869FD), dated as of August 13, 2020, between Company and Wilmington Trust Company, as Loan Trustee ("Loan Trustee"), as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms. All capitalized terms used in this Equipment Note and not defined herein, unless the context otherwise requires, shall have the respective meanings set forth or incorporated by reference, and shall be construed and interpreted in the manner described, in the Indenture.

This Equipment Note shall bear interest, payable on demand, at the Past Due Rate (and not the Debt Rate) (calculated on the basis of a year of 360 days comprised of twelve 30-day months) on any principal amount and (to the extent permitted by applicable law) Make-Whole Amount, if any, interest, and any other amounts payable hereunder not paid when due for any period during which the same is overdue. Amounts shall be overdue if not paid in the manner provided herein or in the Indenture 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 Loan Trustee, or at the office of any successor trustee, in the manner provided in Section 2.07 of the Indenture.

The principal amount and interest and other amounts due hereunder shall be payable in Dollars in immediately available funds at the Corporate Trust Office of Loan Trustee, or as otherwise provided in the Indenture. Company shall not have any responsibility for the distribution of any such payment to Noteholder of this Equipment Note. 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, this Equipment Note shall be surrendered to Loan Trustee for cancellation.

The holder hereof, by its acceptance of this Equipment Note, agrees that, except as provided in the Indenture, including the subordination provisions referred to below, each payment of an installment of principal amount, Make-Whole Amount, if any, and interest received by it hereunder shall be applied: first, to the payment of accrued interest on this Equipment Note (as well as any interest on (i) any overdue principal amount, and (ii) to the extent permitted by applicable law, any overdue Make-Whole Amount, if any, any overdue interest and any other overdue amounts hereunder) to the date of such payment; second, to the payment of Make-Whole Amount, if any, with respect to this Equipment Note; third, to the payment of the principal amount of this Equipment Note (or portion thereof) then due hereunder, if any; and fourth, the balance, if any, remaining thereafter to the payment of installments of the principal amount of this Equipment Note (or portion thereof) remaining unpaid in the inverse order of their maturity.

This Equipment Note is one of the Equipment Notes referred to in the Indenture which have been or are to be issued by Company pursuant to the terms of the Indenture. The Collateral is held by Loan Trustee as security, in part, for the Equipment Notes. The provisions of this Equipment Note are subject to the Indenture, the Related Indentures, the Participation Agreement, the other Operative Documents and the Pass Through Documents. Reference is hereby made to the Indenture, the Related Indentures, the Participation Agreement, the other Operative Documents and the Pass Through Documents 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 (including as a "Related Equipment Note" under each Related Indenture) 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 Indenture, to all of which terms and conditions in the Indenture, the Related Indentures, the Participation Agreement, the other Operative Documents and the Pass Through Documents each holder hereof agrees by its acceptance of this Equipment Note.

As provided in the Indenture and subject to certain limitations therein set forth, this Equipment Note is exchangeable for an equal aggregate principal amount of Equipment Notes of the same Series of different authorized denominations, as requested by the holder surrendering the same. Prior to the due presentment for registration of transfer of this Equipment Note, Company and Loan Trustee shall deem and treat the Person in whose name this Equipment Note is registered on the Equipment Note Register as the absolute owner and holder hereof for the purpose of receiving all amounts payable with respect to this Equipment Note and for all purposes, and neither Company nor Loan Trustee shall be affected by notice to the contrary.

This Equipment Note is subject to redemption as provided in Sections 2.10, 2.11 and 2.12 of the Indenture but not otherwise. In addition, this Equipment Note may be accelerated as provided in Section 4.02 of the Indenture.

This Equipment Note is subject to certain restrictions set forth in Sections 4.01(a)(ii) and 4.01(a)(iii) of the Intercreditor Agreement, as further specified in Section 2.07 of the Indenture, to all of which terms and conditions in the Intercreditor Agreement each holder hereof agrees by its acceptance of this Equipment Note.

The holder hereof, by its acceptance of this Equipment Note, agrees that no payment or distribution shall be made on or in respect of the Secured Obligations (as defined in the Indenture) or the Secured Obligations (as defined in any Related Indenture) owed to such holder, including, without limitation, any payment or distribution of cash, property or securities after the occurrence of any of the events referred to in Section 4.01(f) of the Indenture or after the commencement of any proceedings of the type referred to in Sections 4.01(g), (h) or (i) of the Indenture, except, in each case, as expressly provided in Article III of the Indenture or Article III of the applicable Related Indenture, as appropriate.

The indebtedness evidenced by this Equipment Note is[,][1] [(i) to the extent and in the manner provided in the Indenture, subordinate and subject in right of payment to the prior payment in full of the Secured Obligations in respect of [Series AA Equipment Notes][2] [Series AA Equipment Notes and [ ][3]][4], and certain other Secured Obligations, and (ii)][5] to the extent and in the manner provided in each Related Indenture, subordinate and subject in right of payment to the prior payment in full under such Related Indenture of the "Secured Obligations" in respect of the "Equipment Notes" issued under such Related Indenture, and this Equipment Note is issued subject to such provisions. The Noteholder of this Equipment Note, by accepting the same, (a) agrees to and shall be bound by such provisions, (b) authorizes and directs Loan Trustee or the Related Loan Trustee under the applicable Related Indenture, as appropriate, on such Noteholder's behalf to take any action necessary or appropriate to effectuate the subordination as provided in the Indenture or the applicable Related Indenture and (c) appoints Loan Trustee or the Related Loan Trustee under the applicable Related Indenture, as appropriate, as such Noteholder's attorney-in-fact for such purpose.

Without limiting the foregoing, the holder hereof, by its acceptance of this Equipment Note, agrees that if such holder, in its capacity as a Noteholder, receives any payment or distribution on any Secured Obligation in respect of this Equipment Note that it is not entitled to receive under Section 2.13 or Article III of the Indenture, it shall hold any amount so received in trust for Loan Trustee and forthwith turn over such amount to Loan Trustee in the form received to be applied as provided in Article III of the Indenture.

Unless the certificate of authentication hereon has been executed by or on behalf of Loan Trustee by manual signature, this Equipment Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

THIS EQUIPMENT NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF NEW YORK, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE.

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1 To be inserted in the case of a Series AA Equipment Note.

2 To be inserted in the case of the Series of Additional Series Equipment Notes ranked most senior in priority of payment among all Series of Additional Series Equipment Notes.

3 To insert each Series of Additional Series Equipment Notes that rank senior in priority of payment to the Series of Additional Series Equipment Notes being issued.

4 To be inserted in the case of each Series of Additional Series Equipment Notes other than the Series of Additional Series Equipment Notes ranked most senior in priority of payment among all Series of Additional Series Equipment Notes.

5 To be inserted in the case of an Additional Series Equipment Note.

IN WITNESS WHEREOF, Company has caused this Equipment Note to be executed in its corporate name by its officer thereunto duly authorized on the date hereof.

FEDERAL EXPRESS CORPORATION

By:
Name:
Title:

LOAN TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Equipment Notes referred to in the within-mentioned Indenture.

Wilmington Trust Company,
not in its individual capacity but solely as Loan Trustee

By:
Authorized Signatory

SCHEDULE I

EQUIPMENT NOTE AMORTIZATION

Payment Date	Percentage of Original Principal Amount to be Paid

[SEE "EQUIPMENT NOTES AMORTIZATION" ON SCHEDULE I TO INDENTURE]

* * *

Section 2.02 Issuance and Terms of Equipment Notes. The Equipment Notes shall be dated the date of issuance thereof, shall be issued in (a) separate Series consisting of Series AA Equipment Notes and one or more Additional Series Equipment Notes (if issued) and (b) the maturities and principal amounts and shall bear interest at the applicable Debt Rates specified in Schedule I. On the Closing Date, each Series AA Equipment Note shall be issued to Subordination Agent on behalf of the Pass Through Trustee for the Pass Through Trust created under the Pass Through Trust Agreement referred to in Schedule II. Subject to compliance with the conditions set forth in Section 2.02 of the Participation Agreement and Section 8.01(c) or 8.01(d) of the Intercreditor Agreement, as applicable, Company shall have the option after the Closing Date, at any time and from time to time (i) to issue one or more Series of Additional Series Equipment Notes under this Indenture (including, for the avoidance of doubt, multiple issuances at the same or different times resulting in more than one Series of Additional Series Equipment Notes being outstanding at any time), (ii) to redeem all but not less than all of any Series of Additional Series Equipment Notes pursuant to, and in accordance with, the provisions of Section 2.11(b) and to issue under this Indenture new Equipment Notes with the same Series designation as, but with terms that may be the same as or different from those of, the redeemed Equipment Notes, and (iii) following the payment in full at maturity or otherwise of all but not less than all of any Series of Additional Series Equipment Notes, to issue new Equipment Notes with the same Series designation as, but with terms that may be the same as or different from those of, such Equipment Notes that have been paid in full. If new Additional Series Equipment Notes of any Series or new Additional Series Equipment Notes of any Series are issued after the Closing Date in accordance with the immediately preceding sentence, such Equipment Notes shall be dated the date of original issuance thereof and shall have such maturities, principal amounts and interest rate as specified in an amendment to this Indenture; provided, however, that any new Equipment Notes that are not fungible for U.S. federal income tax purposes with existing Equipment Notes shall be issued with a separate CUSIP number. 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. For the avoidance of doubt, if Company shall issue new "Additional Series Equipment Notes" of any Series or new "Additional Series Equipment Note" of any series, in each case under any Related Indenture, Company may, but shall not be required to, issue, as the case may be, Additional Series Equipment Notes of the same Series or new Additional Series Equipment Notes of the same Series, in each case under this Indenture.

Each Equipment Note shall bear interest at the Debt Rate specified for the applicable Series (calculated on the basis of a year of 360 days comprised of twelve 30-day months), payable in arrears on each Payment Date on the unpaid principal amount thereof from time to time outstanding from the most recent Payment Date to which interest has been paid or duly provided for (or, if no interest has been so paid or provided for, from the date of issuance of such Equipment Note) until such principal amount is paid in full, as further provided in the form of Equipment Note set forth in Section 2.01. The principal amount of each Series AA Equipment Note shall be payable in installments or in a single payment on the Payment Dates set forth in such Equipment Note, each such installment, if any, to be in an amount computed by multiplying the original principal amount of such Equipment Note by the corresponding percentage set forth in Schedule I hereto applicable to such Series, the applicable portion of which shall be attached as Schedule I to such Equipment Note, opposite the Payment Date on which such installment is due. Each Additional Series Equipment Note, if issued, shall be payable in installments or in a single payment as set forth in an amendment to this Indenture, and if payable in installments, such installments shall be calculated as set forth in the preceding sentence. Notwithstanding the foregoing, the final payment made under each Equipment Note shall be in an amount sufficient to discharge in full the unpaid principal 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 Past Due Rate (and not at the Debt Rate) (calculated on the basis of a year of 360 days comprised of twelve 30-day months) on any principal amount and (to the extent permitted by applicable law) Make-Whole Amount, if any, interest and any other amounts payable thereunder not paid when due for any period during which the same is overdue, in each case for the period the same is overdue. Amounts shall be overdue under an Equipment Note if not paid in the manner provided therein or in this Indenture when due (whether at stated maturity, by acceleration or otherwise). Notwithstanding anything to the contrary contained herein, if any date on which a payment hereunder or 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 with the same force and effect as if made on such scheduled date, and if such payment is made on such next succeeding Business Day, no interest shall accrue on the amount of such payment from and after such scheduled date.

The Equipment Notes shall be executed on behalf of Company by the manual or facsimile signature of one of its authorized officers. Equipment Notes bearing the signatures of individuals who were at the time of execution the proper officers of Company shall bind Company, 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. No Equipment Note shall be secured by or entitled to any benefit under this Indenture or be valid or obligatory for any purposes unless there appears on such Equipment Note a certificate of authentication in the form provided herein executed by Loan Trustee by the manual signature of one of its authorized officers, and such certificate upon any Equipment Notes shall be conclusive evidence, and the only evidence, that such Equipment Note has been duly authenticated and delivered hereunder.

Section 2.03 Method of Payment. The principal amount of, interest on, Make-Whole Amount, if any, and, except to the extent expressly provided herein, all other amounts due under each Equipment Note or otherwise payable hereunder shall be payable by Company in Dollars by wire transfer of immediately available funds not later than 10:00 a.m. (New York City time) on the due date of payment to Loan Trustee at the Corporate Trust Office for distribution among Noteholders in the manner provided herein, and payment of such amount by Company to Loan Trustee shall be deemed to satisfy Company's obligation to make such payment. Company shall not have any responsibility for the distribution of such payment to any Noteholder. Notwithstanding the foregoing or any provision in any Equipment Note to the contrary, Loan Trustee will use reasonable efforts to pay or cause to be paid, if so directed in writing by any Noteholder (with a copy to Company), all amounts paid by Company hereunder and under such Noteholder's Equipment Note or Equipment Notes to such Noteholder or a nominee therefor (including all amounts distributed pursuant to Article III) by transferring, or causing to be transferred, by wire transfer of immediately available funds in Dollars, prior to 12:00 noon (New York City time) on the due date of payment, to an account maintained by such Noteholder with a bank located in the continental United States the amount to be distributed to such Noteholder, for credit to the account of such Noteholder maintained at such bank; provided that, in the event the Equipment Notes are not held by Subordination Agent on behalf of Pass Through Trustees, Loan Trustee shall, unless instructed by Company to use another method, pay such amounts by check mailed to Noteholder's address as it appears on the Equipment Note Register. If, after its receipt of funds at the place and prior to the time specified above in the immediately preceding sentence, Loan Trustee fails (other than as a result of a failure of Noteholder to provide it with wire transfer instructions) to make any such payment required to be paid by wire transfer as provided in the immediately preceding sentence on the Business Day it receives such funds, Loan Trustee, in its individual capacity and not as trustee, agrees to compensate such Noteholders for loss of use of funds at the Federal Funds Rate until such payment is made and Loan Trustee 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 Loan Trustee for cancellation. Notwithstanding any other provision of this Indenture to the contrary, Loan Trustee 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 Loan Trustee 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 1:00 p.m. (New York City time) at the place of payment, in which case Loan Trustee shall make such required payment on the next succeeding Business Day. So long as any signatory to the Participation Agreement or nominee thereof shall be a registered Noteholder, all payments to it shall be made to the account of such Noteholder specified in Schedule I to the Participation Agreement or otherwise in the manner provided in or pursuant to the Participation Agreement unless it shall have specified some other account or manner of payment by notice to Loan Trustee consistent with this Section 2.03.

Section 2.04 Withholding Taxes. Loan Trustee shall exclude and withhold at the appropriate rate from each payment of principal, interest, Make-Whole Amount, if any, and other amounts due hereunder or under each Equipment Note (which exclusion and withholding shall constitute payment of such amounts payable hereunder or in respect of such Equipment Notes, as applicable) any and all withholding Taxes applicable thereto as required by applicable law. Loan Trustee agrees to act as such withholding agent and whenever any present or future 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 (which withholding shall constitute payment of such amounts payable hereunder or in respect of such Equipment Notes, as applicable) and timely pay the same to the appropriate authority in the name of and on behalf of Noteholders, that it will file any necessary withholding Tax returns or statements when due, and that as promptly as possible after the payment thereof it will deliver to each Noteholder (with a copy to Company) appropriate documentation showing the payment thereof, together with such additional documentary evidence as any such Noteholder may reasonably request from time to time. Loan Trustee agrees to file any other information reports it is required to file under United States law.

Section 2.05 Application of Payments. Subject always to Section 2.13 and except as otherwise provided in Article III, in the case of each Equipment Note, each payment of an installment of principal amount, Make-Whole Amount, if any, and interest paid thereon shall be applied:

first, to the payment of accrued interest on such Equipment Note (as well as any interest on (i) any overdue principal amount, and (ii) to the extent permitted by applicable law, any overdue Make-Whole Amount, if any, any overdue interest and any other overdue amounts thereunder) to the date of such payment;

second, to the payment of Make-Whole Amount, if any, with respect to such Equipment Note;

third, to the payment of the principal amount of such Equipment Note (or portion thereof) then due thereunder, if any; and

fourth, the balance, if any, remaining thereafter, to the payment of installments of the principal amount of such Equipment Note (or portion thereof) remaining unpaid in the inverse order of their maturity.

Section 2.06 Termination of Interest in Collateral. No Noteholder or Indenture Indemnitee shall, as such, have any further interest in, or other right with respect to, the Collateral when and if the principal amount of, Make-Whole Amount, if any, and interest (including, to the extent permitted by applicable law, post-petition interest and interest on any overdue amounts) on and all other amounts due under all Equipment Notes held by such Noteholder and all other sums then due and payable to such Noteholder or Indenture Indemnitee, as the case may be, hereunder (including, without limitation, under Section 2.14) and under the Participation Agreement by Company (the "Secured Obligations") have been paid in full.

Subject to Section 10.01 hereof, no Related Indenture Indemnitee shall, as such, have any further interest in, or other right with respect to, the Collateral when and if all Related Secured Obligations have been paid in full.

Section 2.07 Registration, Transfer and Exchange of Equipment Notes. Loan Trustee shall keep a register or registers (the "Equipment Note Register") in which Loan Trustee shall provide for the registration of Equipment Notes, the registration of transfers of Equipment Notes and a record of the dates and payments made with respect to the 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 Loan Trustee. Loan Trustee 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 or transfer such Equipment Note shall surrender such Equipment Note to Loan Trustee at the Corporate Trust Office, together with a written request from the registered holder thereof for the issuance of a new Equipment Note of the same Series, 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 and subject to satisfaction of Section 2.09, Company shall execute, and Loan Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Equipment Notes of an equal aggregate principal amount and of the same Series. At the option of Noteholder, Equipment Notes may be exchanged for other Equipment Notes of the same Series of any authorized denominations of an equal aggregate principal amount, upon surrender of the Equipment Notes to be exchanged to Loan Trustee at the Corporate Trust Office. Whenever any Equipment Notes are so surrendered for exchange, Company shall execute, and Loan Trustee shall authenticate and deliver, the Equipment Notes which Noteholder 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 or otherwise under this Indenture) shall be the valid obligations of Company evidencing the same respective obligations, and entitled to the same security and benefits under this 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 Company or Loan Trustee) be duly endorsed or be accompanied by a written instrument of transfer in form satisfactory to Loan Trustee, duly executed by Noteholder or such Noteholder's attorney duly authorized in writing, and Company and Loan Trustee shall require evidence satisfactory to Company as to the compliance of any such transfer with the Securities Act and the securities laws of any applicable state or jurisdiction. Loan Trustee shall make a notation on each new Equipment Note of the amount of all payments of principal 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. Principal, interest and all other amounts shall be deemed to have been paid on such new Equipment Note to the date on which such amounts have been paid on such old Equipment Note. Company and Equipment Note Registrar shall not be required to exchange any surrendered Equipment Notes as provided above (a) during the ten-day period preceding the due date of any payment on such Equipment Note or (b) that has been called for redemption. Company and Loan Trustee shall in all cases deem and treat the Person in whose name any Equipment Note has been issued and registered on the Equipment Note Register as the absolute owner and Noteholder 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 neither Company nor Loan Trustee shall be affected by any notice to the contrary. Loan Trustee will promptly notify Company 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 Indenture, the Related Indentures, the Participation Agreement, the other Operative Documents and the Pass Through Documents applicable to Noteholders or, in the case of each Related Indenture, Related Noteholders, and, without limiting the generality of the foregoing, any such transferee of an Equipment Note, by its acceptance of an Equipment Note: (i) agrees to the applicable provisions of Sections 6.01, 7.10 and 7.11 of the Participation Agreement, and shall be deemed to have represented, warranted and covenanted to the parties to the Participation Agreement as to the matters represented, warranted and covenanted by Noteholders, including Pass Through Trustees, in the Participation Agreement and (ii) agrees to the restrictions set forth in Sections 4.01(a)(ii) and 4.01(a)(iii) of the Intercreditor Agreement, and shall be deemed to have covenanted to the parties to the Intercreditor Agreement not to give any direction to, or otherwise authorize, Loan Trustee to take any action that would violate Section 4.01(a)(ii) or 4.01(a)(iii) of the Intercreditor Agreement. Subject to compliance by Noteholder and any transferee of the requirements set forth in this Section 2.07 and in Section 2.09, Loan Trustee and Company shall use all reasonable efforts to issue new Equipment Notes upon transfer or exchange within ten 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 becomes mutilated, destroyed, lost or stolen, Company shall, upon the written request of the holder of such Equipment Note and subject to satisfaction of this Section 2.08 and of Section 2.09, execute and Loan Trustee shall authenticate and deliver in replacement thereof a new Equipment Note of the same Series, payable in the same principal amount, dated the same date and captioned as issued in connection with the Aircraft. If the Equipment Note being replaced has become mutilated, such Equipment Note shall be surrendered to Loan Trustee, and a photocopy thereof shall be furnished to Company. If the Equipment Note being replaced has been destroyed, lost or stolen, the holder of such Equipment Note shall furnish to Company and Loan Trustee such security or indemnity as may be required by them to save Company and Loan Trustee harmless and evidence satisfactory to Company and Loan Trustee of the destruction, loss or theft of such Equipment Note and of the ownership thereof.

Section 2.09 Payment of Expenses on Transfer; Cancellation.

(a) No service charge shall be made to a Noteholder for any registration of transfer or exchange of Equipment Notes, but Loan Trustee, 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) Loan Trustee shall cancel all Equipment Notes surrendered for replacement, redemption, transfer, exchange, payment or cancellation, shall keep a copy of such canceled Equipment Notes, and shall send the original canceled Equipment Notes marked "canceled" to Company.

Section 2.10 Mandatory Redemption of Equipment Notes. Company shall redeem the Equipment Notes in whole in connection with an Event of Loss in respect of the Airframe or the Airframe and the Engines installed thereon (unless Company has performed the option set forth in Section 7.05(a)(i) with respect thereto) on or before the Loss Payment Date at a redemption price equal to 100% of the unpaid principal amount thereof, together with all accrued and unpaid interest thereon to (but excluding) the date of redemption and all other Secured Obligations owed or then due and payable to Noteholders, but without any Make-Whole Amount.

Section 2.11 Voluntary Redemption of Equipment Notes.

(a) Except as provided in Section 2.11(b), all (but not less than all) of the Equipment Notes may be redeemed by Company at any time upon at least 30 days' revocable prior written notice to Loan Trustee and Noteholders, and such Equipment Notes shall be redeemed in whole at a redemption price equal to 100% of the unpaid principal amount thereof, together with accrued and unpaid interest thereon to (but excluding) the date of redemption and all other Secured Obligations owed or then due and payable to Noteholders, plus Make-Whole Amount, if any; provided that no redemption shall be permitted under this Section 2.11(a) unless, simultaneously with such redemption, the Related Equipment Notes shall also be redeemed.

(b) All of any Series of Additional Series Equipment Notes (or any combination of the foregoing) may be redeemed by Company upon at least 15 days' revocable prior written notice to Loan Trustee and Noteholders of each Series to be redeemed, and such Series of Equipment Notes being redeemed pursuant to this Section 2.11(b) shall be redeemed in whole at a redemption price equal to 100% of the unpaid principal amount thereof, together with accrued and unpaid interest thereon to (but excluding) the date of redemption and all other Secured Obligations owed or then due and payable to Noteholders of such Series, plus Make-Whole Amount, if any; provided that:

(i) no redemption shall be permitted under this Section 2.11(b) unless, simultaneously with such redemption, the Related Additional Series Equipment Notes in respect of the Series of Additional Series Equipment Notes being redeemed (in the case of redemption hereunder of any Series of Additional Series Equipment Notes), as the case may be, shall also be redeemed; and

(ii) if, simultaneously with such redemption or at any time thereafter, new Additional Series Equipment Notes of the same Series designation as the Series of Additional Series Equipment Notes being redeemed (in the case of redemption hereunder of a Series of Additional Series Equipment Notes), in any such case, having terms that may be the same as or different from those of the redeemed Equipment Notes, are being issued, such new Equipment Notes shall be issued in accordance with Section 2.02 of the Participation Agreement and Section 8.01(c) of the Intercreditor Agreement.

(c) Notwithstanding anything to the contrary in Section 2.11(a) or (b), so long as Company or any of its Affiliates beneficially owns 100% of the Pass Through Certificates issued by any Pass Through Trustee, the redemption price shall not include, and no Noteholder shall have any right to otherwise claim, any Make-Whole Amount with respect to the Series of Equipment Notes issued to Subordination Agent for the benefit of such Pass Through Trustee.

Section 2.12 Redemptions; Notice of Redemptions; Repurchases.

(a) No redemption of any Equipment Note may be made except to the extent and in the manner expressly permitted by this Indenture. Company may at any time repurchase any of the Equipment Notes not held by Subordination Agent at any price and may hold or resell such Equipment Notes or surrender such Equipment Notes to Loan Trustee for cancellation.

(b) Notice of redemption with respect to the Equipment Notes shall be given by Loan Trustee by first-class mail, postage prepaid, or by hand delivery, mailed or delivered not less than 15 nor more than 60 days prior to the applicable redemption date, to each Noteholder of such Equipment Notes to be redeemed, at such Noteholder's address appearing in the Equipment Note Register; provided that such notice shall be revocable by written notice from Company to Loan Trustee given no later than three 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.

(c) On or before the redemption date, Company (or any person on behalf of Company) 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 Loan Trustee, deposit or cause to be deposited with Loan Trustee by 10:00 a.m. (New York City time) on the redemption date in immediately available funds the redemption price of the Equipment Notes to be redeemed.

(d) Notice of redemption having been given as aforesaid (and not revoked as permitted by this Section 2.12), the Equipment Notes to be redeemed shall, on the redemption date, become due and payable at the Corporate Trust Office of Loan Trustee, and from and after such redemption date (unless there is a default in the deposit of the redemption price pursuant to Section 2.12(c)) 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.

Section 2.13 Subordination.

(a) The indebtedness evidenced by the Series of Additional Series Equipment Notes ranked most senior in priority of payment among all Series of Additional Series Equipment Notes, if issued, will be, to the extent and in the manner provided in this Indenture (as this Indenture may be amended in connection with any such issuance of such most senior Series of Additional Series Equipment Notes), subordinate and subject in right of payment to the prior payment in full of the Secured Obligations in respect of the Series AA Equipment Notes, and any such most senior Series of Additional Series Equipment Notes, if issued, shall be issued subject to such provisions. The indebtedness evidenced by any Additional Series Equipment Notes (other than the Series of Additional Series Equipment Notes ranked most senior in priority of payment among all Series of Additional Series Equipment Notes), if issued, will be, to the extent and in the manner provided in this Indenture (as this Indenture may be amended in connection with any such issuance of such Additional Series Equipment Notes), subordinate and subject in right of payment to the prior payment in full of the Secured Obligations in respect of the Series AA Equipment Notes and each Series of Additional Series Equipment Notes that rank senior in priority of payment to such Additional Series Equipment Notes, and any such Additional Series Equipment Notes, if issued, shall be issued subject to such provisions. The indebtedness evidenced by the Series AA Equipment Notes is, and the indebtedness evidenced by any Additional Series Equipment Notes, if issued, will be, to the extent and in the manner provided in each Related Indenture, subordinate and subject in right of payment to the prior payment in full under such Related Indenture of the "Secured Obligations" in respect of the "Equipment Notes" issued under such Related Indenture, and the Series AA Equipment Notes are, and any Series of Additional Series Equipment Notes shall be, issued subject to such provisions. By acceptance of its Equipment Notes of any Series, each Noteholder of such Series (i) agrees to and shall be bound by such provisions, (ii) authorizes and directs Loan Trustee or the Related Loan Trustee under the applicable Related Indenture, as appropriate, on such Noteholder's behalf to take any action necessary or appropriate to effectuate the subordination as provided in this Indenture and the applicable Related Indenture and (iii) appoints Loan Trustee or the Related Loan Trustee under the applicable Related Indenture, as appropriate, as such Noteholder's attorney-in-fact for such purpose.

(b) Company, Loan Trustee and, by acceptance of its Equipment Notes of any Series, each Noteholder of such Series, hereby agree that no payment or distribution shall be made on or in respect of the Secured Obligations, or the "Secured Obligations" under any Related Indenture, owed to such Noteholder of such Series, including any payment or distribution of cash, property or securities after the occurrence of any of the events referred to in Section 4.01(f) or after the commencement of any proceedings of the type referred to in Section 4.01(g), (h) or (i), except, in each case, as expressly provided in Article III of this Indenture or Article III of the applicable Related Indenture, as appropriate.

(c) By the acceptance of its Equipment Notes of any Series, each Noteholder of such Series agrees that (i) if such Noteholder, in its capacity as a Noteholder, receives any payment or distribution on any Secured Obligations in respect of such Series that it is not entitled to receive under this Section 2.13 or Article III, it will hold any amount so received in trust for Loan Trustee and forthwith turn over such amount to Loan Trustee in the form received to be applied as provided in Article III and (ii) if such Noteholder, in its capacity as a "Noteholder" under any Related Indenture, receives any payment or distribution on any "Secured Obligations" in respect of "Equipment Notes" of any "Series" issued under such Related Indenture that it is not entitled to receive under Section 2.13 or Article III of such Related Indenture, it will hold any amount so received in trust for the Related Loan Trustee under such Related Indenture and forthwith turn over such amount to such Related Loan Trustee under such Related Indenture in the form received to be applied as provided in Article III of such Related Indenture.

Section 2.14 Certain Payments. Company agrees to pay to Loan Trustee for distribution in accordance with Section 3.04:

(a) an amount or amounts equal to the fees payable to the Liquidity Provider under Section 2.03 of the Liquidity Facility (or any Replacement Liquidity Facility) and the Fee Letter (as defined in the Intercreditor Agreement) related thereto (or similar provisions of any Replacement Liquidity Facility therefor and any related fee letter), multiplied by a fraction, the numerator of which is the sum of the then outstanding aggregate principal amount of the Series AA Equipment Notes and the denominator of which is the sum of the then outstanding aggregate principal amount of all "Series AA Equipment Notes" (each as defined in the Intercreditor Agreement) with respect to all of the "Indentures" (as defined in the Intercreditor Agreement);

(b) an amount equal to interest on any Special Termination Advance (other than any Applied Special Termination Advance) payable under Section 3.07 of the Liquidity Facility (or similar provisions of any Replacement Liquidity Facility therefor) minus Investment Earnings from such Special Termination Advance multiplied by the fraction specified in the foregoing clause (a);

(c) an amount equal to interest on any Downgrade Advance (other than any Applied Downgrade Advance) payable under Section 3.07 of the Liquidity Facility (or similar provisions of any Replacement Liquidity Facility therefor) minus Investment Earnings from such Downgrade Advance multiplied by the fraction specified in the foregoing clause (a);

(d) an amount equal to interest on any Non-Extension Advance (other than any Applied Non-Extension Advance) payable under Section 3.07 of the Liquidity Facility (or similar provisions of any Replacement Liquidity Facility therefor) minus Investment Earnings from such Non-Extension Advance multiplied by the fraction specified in the foregoing clause (a);

(e) if any payment default shall have occurred and be continuing with respect to interest on any "Series AA Equipment Notes" (as defined in the Intercreditor Agreement), (x) the excess, if any, of (1) the amount equal to the sum of interest on any Unpaid Advance (other than a Special Termination Advance), Applied Provider Advance or Applied Special Termination Advance payable under Section 3.07 of the Liquidity Facility (or similar provisions of any Replacement Liquidity Facility therefor) plus any other amounts payable in respect of such Unpaid Advance, Applied Provider Advance or Applied Special Termination Advance under Section 3.01, 3.03 or 3.09 of the Liquidity Facility (or similar provisions of any Replacement Liquidity Facility therefor) under which such Unpaid Advance, Applied Provider Advance or Applied Special Termination Advance was made over (2) the sum of (A) Investment Earnings from any Final Advance plus (B) any amount of interest at the Past Due Rate actually payable (whether or not in fact paid) by Company in respect of the overdue scheduled interest on the "Series AA Equipment Notes" (as defined in the Intercreditor Agreement) in respect of which such Unpaid Advance, Applied Provider Advance or Applied Special Termination Advance was made, multiplied by (y) a fraction, the numerator of which is the then aggregate overdue amounts of interest on the then outstanding Series AA Equipment Notes (other than interest becoming due and payable solely as a result of acceleration of any such Equipment Notes) and the denominator of which is the then aggregate overdue amounts of interest on all then outstanding "Series AA Equipment Notes" (as defined in the Intercreditor Agreement) with respect to all of the "Indentures" (as defined in the Intercreditor Agreement) (other than interest becoming due and payable solely as a result of acceleration of any such "Equipment Notes");

(f) any amounts owed to the Liquidity Provider by Subordination Agent as borrower under Sections 3.01 (other than in respect of an Unpaid Advance, Applied Provider Advance or Applied Special Termination Advance), 3.03 (other than in respect of an Unpaid Advance, Applied Provider Advance or Applied Special Termination Advance), 7.05 and 7.07 of the Liquidity Facility (or similar provisions of any Replacement Liquidity Facility therefor) multiplied by the fraction specified in the foregoing clause (a); and

(g) an amount or amounts equal to the compensation, including reasonable expenses and disbursements actually incurred, payable to Subordination Agent under Section 6.07 of the Intercreditor Agreement, multiplied by the fraction specified in the foregoing clause (a) (but in any event without duplication of any amount or amounts payable by Company in respect of such compensation under any other Operative Document or Pass Through Document).

For purposes of this paragraph, the terms "Applied Downgrade Advance", "Applied Non-Extension Advance", "Applied Provider Advance", "Applied Special Termination Advance", "Downgrade Advance", "Final Advance", "Investment Earnings", "Non-Extension Advance", "Special Termination Advance" and "Unpaid Advance" have the meanings specified in the Liquidity Facility (or any Replacement Liquidity Facility) or the Intercreditor Agreement, as applicable.

Section 2.15 Repayment of Monies for Equipment Note Payments Held by Loan Trustee. Any money or property held by Loan Trustee in trust for any payment of the principal of, Make-Whole Amount, if any, or interest or any other amounts due on, any Equipment Note, including, without limitation, any money or property deposited pursuant to Section 2.12(c) or 10.01, and remaining unclaimed for a 730-day period (for purposes of calculating this 730-day period, all days on which the payment of such money or property shall not have been made because of operation of law shall be excluded) after the due date for such payment (or such lesser time as Loan Trustee is satisfied, after 60 days' notice from Company, is one month prior to the escheat period provided under applicable state law) shall be paid to Company. Noteholders of any outstanding Equipment Notes shall thereafter, as unsecured general creditors, look only to Company for payment thereof, and all liability of Loan Trustee with respect to such trust money shall thereupon cease. Loan Trustee, before being required to make any such repayment, may at the expense of Company cause to be mailed to each such Noteholder notice that such money or property remains unclaimed. After a date specified in such notice, which may not be less than 30 days from the date of mailing, any unclaimed balance of such money or property then remaining will be repaid to Company as provided herein.

Section 2.16 Directions by Subordination Agent. So long as Subordination Agent is a Noteholder, notwithstanding anything contained herein or in any other Operative Document to the contrary, in exercising its right to vote the Equipment Notes held by it, or in giving or taking any direction, consent, request, demand, instruction, authorization, notice, waiver or other action provided by this Indenture or in respect of the Equipment Notes to be given or taken by a Noteholder (each such vote or other action, a "Direction") in respect of such Equipment Notes, Subordination Agent may act in accordance with any votes, directions, consents, requests, demands, instructions, authorizations, notices, waivers or other actions given or taken by any applicable Pass Through Trustee or the Controlling Party pursuant to the Intercreditor Agreement, including without limitation pursuant to Section 2.06, Article IV or Section 8.01(b) thereof. Subordination Agent shall be permitted (x) to give a Direction with respect to less than the entire principal amount of any single Equipment Note held by it, and (y) to give different Directions with respect to different portions of the principal amount of any single Equipment Note held by it. Any Direction given by Subordination Agent at any time with respect to more than a majority in aggregate unpaid principal amount of all of the Equipment Notes issued and then outstanding hereunder shall be deemed to have been given by a Majority in Interest of Noteholders.

ARTICLE III

Receipt, Distribution and Application of Income From the Collateral

Section 3.01 Basic Distributions. Except as otherwise provided in Sections 3.02, 3.03 and 3.04, each periodic payment by Company of regularly scheduled installments of principal or interest on the Equipment Notes received by Loan Trustee shall be promptly distributed in the following order of priority:

first, so much of such payment as is required to pay in full the aggregate amount of the payment or payments of principal amount and interest (as well as any interest on any overdue principal amount and, to the extent permitted by applicable law, on any overdue interest and any other overdue amounts) then due under all Series AA Equipment Notes shall be distributed to Noteholders of Series AA Equipment Notes ratably, without priority of one over the other, in the proportion that the amount of such payment or payments then due under each Series AA Equipment Note bears to the aggregate amount of the payments then due under all Series AA Equipment Notes;

second,; after giving effect to clause "first" above (and except as otherwise provided in an amendment to this Indenture pursuant to paragraph (xiii) or (xiv) of Section 9.01) so much of such payment remaining as is required to pay in full the aggregate amount of the payment or payments of principal amount and interest (as well as any interest on any overdue principal amount and, to the extent permitted by applicable law, on any overdue interest and any other overdue amounts) then due under all Additional Series Equipment Notes of a specified Series shall be distributed to Noteholders of Additional Series Equipment Notes of such Series ratably, without priority of one over the other, in the proportion that the amount of such payment or payments then due under each Additional Series Equipment Note of such Series bears to the aggregate amount of the payments then due under all Additional Series Equipment Notes of such Series, provided that this clause "third" shall apply to each Series of Additional Series Equipment Notes in order of priority of payment; and

fourth, the balance, if any, of such installment remaining thereafter shall be distributed to Company.

Section 3.02 Event of Loss; Optional Redemption.

Except as otherwise provided in Sections 3.03 and 3.04 and subject to the following provisos, any payments received by Loan Trustee (i) with respect to the Airframe or the Airframe and one or more Engines as the result of an Event of Loss pursuant to Section 2.10 or (ii) pursuant to an optional redemption of the Equipment Notes pursuant to Section 2.11 shall be applied to the redemption of the Equipment Notes and to all other Secured Obligations and Related Secured Obligations then due by applying such payments in the following order of priority:

first, so much of such payment as is required (i) to reimburse Loan Trustee and Noteholders for any reasonable costs or expenses actually incurred in connection with such redemption for which they are entitled to reimbursement, or indemnity by Company, under the Operative Documents and then (ii) to pay any other Secured Obligations then due to Loan Trustee, Noteholders and other Indenture Indemnitees under this Indenture, the Participation Agreement or the Equipment Notes (other than amounts specified in clauses "second" and "third" below);

second, after giving effect to clause "first" above:

(i) so much of such payment remaining as is required to pay the amounts specified in paragraph (i) of clause "third" of Section 3.03 plus Make-Whole Amount, if any, then due and payable in respect of the Series AA Equipment Notes;

(ii) after giving effect to paragraph (i) above (and except as otherwise provided in an amendment to this Indenture pursuant to paragraph (xiii) or (xiv) of Section 9.01), so much of such payment remaining as is required to pay the amounts specified in paragraph (ii) of clause "third" of Section 3.03 plus Make-Whole Amount, if any, then due and payable in respect of Additional Series Equipment Notes of a specified Series, provided that this paragraph (ii) shall apply to each Series of Additional Series Equipment Notes in order of priority of payment;

third, after giving effect to clause "second" above, so much of such payment remaining as is required to pay the amounts as provided in clause "third" of Section 3.03 in respect of Related Secured Obligations under each Defaulted Operative Indenture other than paragraph (vii) of clause "third" of Section 3.03; and

fourth, the balance, if any, of such payment, shall be distributed as provided in clause "fourth" of Section 3.03;

provided that any insurance, condemnation or similar proceeds resulting from an Event of Loss that are received by Loan Trustee shall be held and distributed by Loan Trustee as provided in Sections 7.05(c) and 7.06(f), and any such proceeds that are held by Loan Trustee shall be invested on behalf of the Company as provided in Section 5.06; and provided, further, that in the case of a redemption of Equipment Notes pursuant to Section 2.11(b), if a particular Series is not being redeemed pursuant thereto, no application of funds shall be made pursuant to the paragraphs in clause "second" above that refer to such Series in connection with such redemption. No Make-Whole Amount shall be due and payable on the Equipment Notes as a consequence of the redemption of the Equipment Notes as a result of an Event of Loss with respect to the Airframe or the Airframe and one or more Engines.

Section 3.03 Payments After Event of Default.

Except as otherwise provided in Section 3.04, all payments received and amounts held or realized by Loan Trustee (including any amounts realized by Loan Trustee from the exercise of any remedies pursuant to Article IV) after both an Event of Default shall have occurred and be continuing and the Equipment Notes shall have become due and payable pursuant to Section 4.02(a), as well as all payments or amounts then held by Loan Trustee as part of the Collateral, shall be promptly distributed by Loan Trustee in the following order of priority:

first, so much of such payments or amounts as is required to (i) reimburse Loan Trustee or WTC, to the extent Loan Trustee or WTC is entitled to be reimbursed or indemnified under the Operative Documents, for any Tax, expense or other loss (including, without limitation, all amounts to be expended at the expense of, or charged upon the tolls, rents, revenues, issues, products and profits of, the property included in the Collateral pursuant to Section 4.02(a)) actually incurred by Loan Trustee or WTC (to the extent not previously reimbursed), the expenses of any sale, taking or other proceeding, reasonable attorneys' fees and expenses, court costs, and any other expenditures actually incurred or expenditures or advances made by Loan Trustee, WTC or Noteholders in the protection, exercise or enforcement of any right, power or remedy or any damages sustained by Loan Trustee, WTC or any Noteholder, liquidated or otherwise, upon such Event of Default shall be applied by Loan Trustee as between itself, WTC and Noteholders in reimbursement of such expenses and any other expenses for which Loan Trustee, WTC or Noteholders are entitled to reimbursement under any Operative Document and (ii) pay all Secured Obligations payable to other Indenture Indemnitees hereunder and under the Participation Agreement or the Equipment Notes (other than amounts specified in clauses "second" and "third" below); and in case the aggregate amount so to be distributed shall be 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, after giving effect to clause "first" above, so much of such payments or amounts remaining as is required to reimburse the then existing or prior Noteholders for payments made pursuant to Section 5.03 (to the extent not previously reimbursed) shall be distributed to such then existing or prior Noteholders 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 Noteholder pursuant to Section 5.03;

third, after giving effect to clause "second" above:

(i) so much of such payments or amounts remaining as is required to pay in full the aggregate unpaid principal amount of all Series AA Equipment Notes, and the accrued but unpaid interest and other amounts due thereon and all other Secured Obligations in respect of the Series AA Equipment Notes to the date of distribution, shall be distributed to Noteholders of Series AA Equipment Notes, 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 (x) the aggregate unpaid principal amount of all Series AA Equipment Notes held by each holder thereof plus the accrued but unpaid interest and other amounts due in respect thereof hereunder or thereunder to the date of distribution bears to (y) the aggregate unpaid principal amount of all Series AA Equipment Notes held by all holders thereof plus the accrued but unpaid interest and other amounts due thereon to the date of distribution;

(ii) after giving effect to paragraph (i) above (and except as otherwise provided in an amendment to this Indenture pursuant to paragraph (xiii) or (xiv) of Section 9.01), so much of such payments or amounts remaining as is required to pay in full the aggregate unpaid principal amount of all Additional Series Equipment Notes of a specified Series, and the accrued but unpaid interest and other amounts due thereon and all other Secured Obligations in respect of the Additional Series Equipment Notes of such Series to the date of distribution, shall be distributed to Noteholders of Additional Series Equipment Notes of such Series, 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 (x) the aggregate unpaid principal amount of all Additional Series Equipment Notes of such Series held by each holder thereof plus the accrued but unpaid interest and other amounts due in respect thereof hereunder or thereunder to the date of distribution bears to (y) the aggregate unpaid principal amount of all Additional Series Equipment Notes of such Series held by all holders thereof plus the accrued but unpaid interest and other amounts due thereon to the date of distribution, provided that this paragraph (ii) shall apply to each Series of Additional Series Equipment Notes in order of priority of payment;

(iii) after giving effect to paragraph (ii) above, so much of such payments or amounts remaining as is required to pay in full the amounts then due and covered by clause "first" of Section 3.03 of each Defaulted Operative Indenture shall be distributed to the Related Loan Trustee under each respective Defaulted Operative Indenture, 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 accordance with the priorities and prorations in such clause "first";

(iv) after giving effect to paragraph (iii) above, so much of such payments or amounts remaining as is required to pay in full the amounts then due and covered by clause "second" of Section 3.03 of each Defaulted Operative Indenture shall be distributed to the Related Loan Trustee under each respective Defaulted Operative Indenture, 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 accordance with the priorities and prorations in such clause "second";

(v) after giving effect to paragraph (iv) above, so much of such payments or amounts remaining as is required to pay in full the aggregate amount of the payment or payments of principal amount and interest (as well as any interest on any overdue principal amount and, to the extent permitted by applicable law, on any overdue interest and any other overdue amounts) then due under all Related Series AA Equipment Notes, if any, issued under any Defaulted Operative Indenture shall be distributed to the Related Loan Trustee under each respective Defaulted Operative Indenture under which any Related Series AA Equipment Notes are outstanding, 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 (x) the amount of such payment or payments then due under all Related Series AA Equipment Notes issued under each Defaulted Operative Indenture bears to (y) the aggregate amount of the payments then due under all Related Series AA Equipment Notes issued under all Defaulted Operative Indentures;

(vi) after giving effect to paragraph (v) above (and except as otherwise provided in amendments to the applicable Related Indentures pursuant to paragraph (xiii) or (xiv) of Section 9.01 thereof), so much of such payments or amounts remaining as is required to pay in full the aggregate amount of the payment or payments of principal amount and interest (as well as any interest on any overdue principal amount and, to the extent permitted by applicable law, on any overdue interest and any other overdue amounts) then due under all Related Additional Series Equipment Notes of a specified Series, if any, issued under any Defaulted Operative Indenture shall be distributed to the Related Loan Trustee under each respective Defaulted Operative Indenture under which any Related Additional Series Equipment Notes of such Series are outstanding, 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 (x) the amount of such payment or payments then due under all Related Additional Series Equipment Notes of such Series issued under each Defaulted Operative Indenture bears to (y) the aggregate amount of the payments then due under all Related Additional Series Equipment Notes of such Series issued under all Defaulted Operative Indentures, provided that this paragraph (vi) shall apply to each Series of Additional Series Equipment Notes in order of priority of payment; and

(vii) after giving effect to paragraph (vi) above, if any Related Equipment Note is outstanding, any of such payments or amounts remaining and any invested Permitted Investments shall be held by Loan Trustee in an Eligible Account in accordance with the provisions of Section 3.07 (and invested as provided in Section 5.06) as additional security for the Related Secured Obligations, and such amounts (and any investment earnings thereon) shall be distributed from time to time in accordance with the foregoing provisions of this clause "third" as and to the extent any such Related Secured Obligation shall at any time and from time to time become due and remain unpaid after the giving of any required notice and the expiration of any applicable grace period; and, upon the payment in full of all such Related Secured Obligations the balance, if any, of any such remaining amounts and investment earnings thereon shall be applied as provided in clause "fourth" of this Section 3.03; and

fourth, the balance, if any, of such payments or amounts remaining thereafter shall be distributed to Company.

No Make-Whole Amount shall be payable on the Equipment Notes as a consequence of or in connection with an Event of Default or the acceleration of the Equipment Notes.

Section 3.04 Certain Payments.

(a) Any payments received by Loan Trustee for which provision as to the application thereof is made in this Indenture other than in this Article III shall be applied as provided in those provisions. Without limiting the foregoing, any payments received by Loan Trustee which are payable to Company pursuant to any of the provisions of this Indenture other than those set forth in this Article III (including Sections 5.06, 7.05 and 7.06) shall be so paid to Company. Any payments received by Loan Trustee for which no provision as to the application thereof is made in this Indenture and for which such provision is made in any other Operative Document shall be applied forthwith to the purpose for which such payment was made in accordance with the terms of such other Operative Document.

(b) Notwithstanding anything to the contrary contained in this Article III, Loan Trustee will distribute promptly upon receipt any indemnity payment received by it from Company pursuant to Section 4.02 of the Participation Agreement payable to (i) WTC and Loan Trustee, (ii) Subordination Agent, (iii) any separate or additional trustee appointed pursuant to Section 8.02, (iv) Pass Through Trustees, (v) the Liquidity Provider or (vi) any other Indenture Indemnitee, in each case, directly to the Person entitled thereto. Any payment received by Loan Trustee from Company under Section 2.14 shall be distributed to Subordination Agent to be distributed in accordance with Section 2.04(c) of the Intercreditor Agreement.

(c) Any payments received by Loan Trustee not constituting part of the Collateral or otherwise for which no provision as to the application thereof is made in any Operative Document shall be distributed by Loan Trustee to Company. Further, and except as otherwise provided in Sections 3.02 and 3.03, all payments received and amounts realized by Loan Trustee with respect to the Aircraft, to the extent received or realized at any time after payment in full of all Secured Obligations, as well as any amounts remaining as part of the Collateral after the occurrence of such payment in full, shall be distributed by Loan Trustee to Company.

Section 3.05 Payments to Company. Any amounts distributed hereunder by Loan Trustee to Company shall be paid to Company (within the time limits contemplated by Section 2.03) by wire transfer of funds of the type received by Loan Trustee at such office and to such account or accounts of such entity or entities as shall be designated by notice from Company to Loan Trustee from time to time.

Section 3.06 Cooperation. Prior to making any distribution under this Article III, Loan Trustee shall consult with Related Loan Trustees to determine amounts payable with respect to the Related Secured Obligations. Loan Trustee shall cooperate with Related Loan Trustees and shall provide such information as shall be reasonably requested by each Related Loan Trustee to enable such Related Loan Trustee to determine amounts distributable under Article III of its Related Indenture.

Section 3.07 Securities Account. In furtherance of the provisions of Section 3.03, WTC agrees to act as an Eligible Institution under this Indenture in accordance with the provisions of this Indenture (in such capacity, the "Securities Intermediary"). Except in its capacity as Loan Trustee, Wilmington Trust Company 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 Company. The Securities Intermediary hereby agrees that, notwithstanding anything to the contrary in this Indenture, (i) any amounts to be held by Loan Trustee pursuant to paragraph (vii) of clause "third" of Section 3.03 and any investment earnings thereon or other Permitted Investments in which such amounts are invested 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 Loan Trustee is the "entitlement holder" (as defined in Section 8-102(a)(7) of the NY UCC) of the "security 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, Permitted Investments 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, Permitted Investments, 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 form 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 Company, payable to or to the order of Company or specially indorsed to Company except to the extent the foregoing have been specially endorsed by Company to the Securities Intermediary or in blank. Loan Trustee agrees that it will hold (and will indicate clearly in its books and records that it holds) its "security entitlements" to the "financial assets" credited to the Securities Account in trust for the benefit of Noteholders, each Indenture Indemnitee and each Related Indenture Indemnitee as set forth in this Indenture. Company acknowledges that, by reason of Loan Trustee being the "entitlement holder" in respect of the Securities Account as provided above, Loan Trustee shall have the sole right and discretion, subject only to the terms of this 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 Company. If any Person asserts any Lien (including, without limitation, any writ, garnishment, judgment, warrant of attachment, execution or similar process) against the Securities Account or any financial asset carried therein, the Securities Intermediary will promptly notify Loan Trustee and Company thereof.

ARTICLE IV

Events of Default; Remedies of Loan Trustee

Section 4.01 Events of Default. Each of the following events constitutes an "Event of Default" whether such event is voluntary or involuntary or comes about or is 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 and each such Event of Default is deemed to exist and continue so long as, but only as long as, it has not been remedied or explicitly waived:

(a) Company fails to make any payment of principal amount of, Make-Whole Amount, if any, or interest on, any Equipment Note within 15 days after such payment is due;

(b) Company fails to make payment when the same is due of any amount (other than amounts referred to in Section 4.01(a)) due hereunder, under any Equipment Note or under any other Operative Document, and such failure continues unremedied for 30 days after the receipt by Company of written notice thereof from Loan Trustee or any Noteholder;

(c) Company fails to carry and maintain (or cause to be maintained) insurance or indemnity on or with respect to the Aircraft in accordance with the provisions of Section 7.06; provided that no such failure to carry and maintain insurance shall constitute an Event of Default until the earlier of (i) the date such failure has continued unremedied for a period of 30 days after receipt by Loan Trustee of the notice of cancellation referred to in Section 7.06 or (ii) the date such insurance is not in effect as to Loan Trustee;

(d) Company fails to perform or observe in any material respect any other covenant, condition or agreement to be performed or observed by it under any Operative Document, and such failure continues unremedied for a period of 60 days after receipt by Company of written notice thereof from Loan Trustee or any Noteholder; provided that, if such failure is capable of being remedied, no such failure shall constitute an Event of Default for a period of one year after such notice is received by Company so long as Company is diligently proceeding to remedy such failure;

(e) any representation or warranty made by Company in any Operative Document was incorrect in any material respect at the time made, and such incorrectness continues to be material to the transactions contemplated hereby and continues unremedied for a period of 60 days after receipt by Company of written notice thereof from Loan Trustee; provided that, if such incorrectness is capable of being remedied, no such incorrectness shall constitute an Event of Default for a period of one year after such notice is received by Company so long as Company is diligently proceeding to remedy such incorrectness;

(f) Company consents to the appointment of or the taking of possession by a receiver, trustee or liquidator in respect of a substantial part of its property, admits in writing its inability to pay its debts generally as they come due or makes a general assignment for the benefit of its creditors;

(g) Company or Parent files a voluntary petition in bankruptcy or a voluntary petition or an answer seeking reorganization, liquidation or other relief as a debtor in a case 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 Company or Parent as a debtor in any such case, or Company or Parent as a debtor seeks 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 Company or Parent seeks an agreement, composition, extension or adjustment with its creditors under such laws;

(h) an order, judgment or decree is entered by any court of competent jurisdiction appointing, without the consent of Company or Parent, as applicable, a receiver, trustee or liquidator of Company or Parent or sequestering any substantial part of Company or Parent's property, or granting any other relief in respect of Company or Parent as a debtor under any bankruptcy laws or insolvency laws (as in effect at such time), and any such order, judgment or decree of appointment or sequestration remains in force undismissed, unstayed or unvacated for a period of 90 days after the date of entry thereof;

(i) a petition against Company or Parent as a debtor in a case under the federal 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 that may apply to Company or Parent, any court of competent jurisdiction assumes jurisdiction, custody or control of Company or Parent or of any substantial part of Company or Parent's property and such jurisdiction, custody or control remains in force unrelinquished, unstayed or unterminated for a period of 90 days; or

(j) an "Event of Default" (as defined in any Related Indenture) shall have occurred and be continuing;

provided that notwithstanding anything to the contrary contained in this Section 4.01, any failure of Company to perform or observe any covenant, condition or agreement shall not constitute an Event of Default if such failure arises by reason of an event referred to in the definition of "Event of Loss" so long as Company is continuing to comply with all of the terms of Section 7.05.

Section 4.02 Remedies.

(a) If an Event of Default has occurred and is continuing and so long as the same shall continue unremedied, then and in every such case Loan Trustee may, and upon the written instructions of a Majority in Interest of Noteholders, Loan Trustee shall (subject to Section 5.03), do one or more of the following to the extent permitted by, and subject to compliance with the requirements of, applicable law then in effect (provided that during any period the Airframe or any Engine is subject to the CRAF Program and is in possession of or being operated under the direction of the United States government or an agency or instrumentality of the United States, Loan Trustee shall not, on account of any Event of Default, be entitled to exercise or pursue any of the powers, rights or remedies described in this Section 4.02 in such manner as to limit Company's control under this Indenture (or any Permitted Lessee's control under any Lease) of the Airframe or such Engine, unless at least 60 days' (or such other period as may then be applicable under the CRAF Program of the United States government) prior written notice of default hereunder has been given by Loan Trustee by registered or certified mail to Company (and any such Permitted Lessee) with a copy addressed to the Contracting Office Representative or other appropriate person for the Air Mobility Command of the United States Air Force under any contract with Company (or such Permitted Lessee) relating to the Aircraft):

(i) declare by written notice to Company all the Equipment Notes to be due and payable, whereupon the aggregate unpaid principal amount of all Equipment Notes then outstanding, together with accrued but unpaid interest thereon, and other amounts due thereunder (but without Make-Whole Amount), shall immediately become due and payable without presentment, demand, protest or other notice, all of which are hereby waived; provided that if an Event of Default referred to in Section 4.01(f), (g), (h) or (i) has occurred and is continuing, then and in every such case the unpaid principal amount of the Equipment Notes then outstanding, together with accrued but unpaid interest thereon, and all other amounts due thereunder (but without Make-Whole Amount) shall immediately and without further act become due and payable without presentment, demand, protest or notice, all of which are hereby waived; and, following such declaration or deemed declaration:

(ii) subject to Section 4.02(e), (A) cause Company, upon the demand by notice of Loan Trustee, at Company's expense, to deliver promptly, and Company shall deliver promptly, all or such part of the Airframe or any Engine as Loan Trustee so demands to Loan Trustee or its order, or, if Company has failed to so deliver the Airframe or any Engine after such demand, Loan Trustee, at its option, may enter upon the premises where all or any part of the Airframe or any Engine are located and take immediate possession of and remove the same together with any engine which is not an Engine but which is installed on the Airframe, subject to all of the rights of the owner, lessor, lienor or secured party of such engine; provided that the Airframe with an engine (which is not an Engine) installed thereon may be flown or returned only to a location within the continental United States, and such engine shall be held at the expense of Company for the account of any such owner, lessor, lienor, secured party or, if such engine is owned by Company, may at the option of Company with the consent of Loan Trustee (which will not be unreasonably withheld) or at the option of Loan Trustee with the consent of Company (which will not be unreasonably withheld), be exchanged with Company for an Engine in accordance with the provisions of Section 7.05(b); (B) sell all or any part of the Airframe and any Engine at public or private sale, whether or not Loan Trustee at the time has possession thereof, as Loan Trustee may determine, or otherwise dispose of, hold, use, operate, lease to others or keep idle all or any part of the Airframe or such Engine as Loan Trustee, in its sole discretion, determines, all free and clear of any rights or claims of Company, and the proceeds of such sale or disposition shall be applied as set forth in Section 3.03; or (C) exercise any other remedy of a secured party under the NY UCC (whether or not in effect in the jurisdiction in which enforcement is sought); provided that, notwithstanding anything to the contrary set forth herein or in any other Operative Document, (i) as permitted by Article 15 of the Cape Town Convention, the provisions of Chapter III of the Cape Town Convention are hereby excluded and made inapplicable to this Indenture and the other Operative Documents, except for those provisions of such Chapter III that cannot be derogated from; and (ii) as permitted by Article IV(3) of the Aircraft Protocol, the provisions of Chapter II of the Aircraft Protocol are hereby excluded and made inapplicable to this Indenture and the other Operative Documents, except for (x) Article XVI of the Aircraft Protocol and (y) those provisions of such Chapter II that cannot be derogated from. In furtherance of the foregoing, the parties hereto agree that the exercise of remedies hereunder and the other Operative Documents is subject to other applicable law, including without limitation, the NY UCC and the Bankruptcy Code, and that nothing herein derogates from the rights of Company or Loan Trustee under or pursuant to such other applicable law, including without limitation, the NY UCC or the Bankruptcy Code.

Upon every such taking of possession of Collateral under this Section 4.02, Loan Trustee may, from time to time, at the expense of the Collateral, make all such expenditures for maintenance, insurance, repairs, alterations, additions and improvements to and of the Collateral as it deems necessary to cause the Collateral to be in such condition as required by the provisions of this Indenture. In each such case, Loan Trustee may maintain, use, operate, store, insure, lease, control, manage or dispose of the Collateral and may exercise all rights and powers of Company relating to the Collateral as Loan Trustee reasonably deems best, including the right to enter into any and all such agreements with respect to the maintenance, use, operation, storage, insurance, leasing, control, management or disposition of the Collateral or any part thereof as Loan Trustee may reasonably determine; and Loan Trustee shall be entitled to collect and receive directly all tolls, rents, revenues, issues, income, products and profits of the Collateral and every part thereof without prejudice, however, to the rights of Loan Trustee under any provision of this Indenture to collect and receive all cash held by, or required to be deposited with Loan Trustee hereunder. Such tolls, rents, revenues, issues, income, products and profits shall be applied to pay the expenses of the use, operation, storage, insurance, leasing, control, management or disposition of the Collateral, and of all maintenance, repairs, replacements, alterations, additions and improvements, and to make all payments that Loan Trustee is required or elects to make, if any, for Taxes, insurance or other proper charges assessed against or otherwise imposed upon the Collateral or any part thereof, and all other payments which Loan Trustee is required or expressly authorized to make under any provision of this Indenture, as well as just and reasonable compensation for the services of Loan Trustee, and shall otherwise be applied in accordance with Article III. If an Event of Default has occurred and is continuing and the Equipment Notes either have been accelerated pursuant to this Section 4.02 or have become due at maturity and Loan Trustee is entitled to exercise rights hereunder, at the request of Loan Trustee, Company shall promptly execute and deliver to Loan Trustee such instruments of title and other documents as Loan Trustee reasonably deems necessary or advisable to enable Loan Trustee or an agent or representative designated by Loan Trustee, at such time or times and place or places as Loan Trustee specifies, to obtain possession of all or any part of the Collateral to which Loan Trustee at the time is entitled hereunder. If Company for any reason fails to execute and deliver such instruments and documents after such request by Loan Trustee, Loan Trustee may seek a judgment conferring on Loan Trustee the right to immediate possession and requiring Company to execute and deliver such instruments and documents to Loan Trustee, to the entry of which judgment Company hereby specifically consents to the fullest extent it may lawfully do so. All actual and reasonable expenses of obtaining such judgment or of pursuing, searching for and taking such property shall, until paid, be secured by the Lien of this Indenture.

(b) Loan Trustee shall give Company at least 30 days' prior written notice of any public sale or of the date on or after which any private sale will be held, which notice Company hereby agrees to the extent permitted by applicable law is reasonable notice. Any Noteholder or Noteholders shall be entitled to bid for and become the purchaser of any Collateral offered for sale pursuant to this Section 4.02 and to credit against the purchase price bid at such sale by such Noteholders all or any part of the unpaid amounts owing to such Noteholders under the Operative Documents and secured by the Lien of this Indenture (but only to the extent that such purchase price would have been paid to such Noteholders pursuant to Article III if such purchase price were paid in cash and the foregoing provision of this Section 4.02(b) were not given effect). Loan Trustee may exercise such right without possession or production of the Equipment Notes or proof of ownership thereof, and as a representative of Noteholders may exercise such right without notice to Noteholders as party to any suit or proceeding relating to the foreclosure of any Collateral. Company may also bid for and become the purchaser of any Collateral offered for sale pursuant to this Section 4.02.

(c) To the extent permitted by applicable law, while an Event of Default has occurred and is continuing, Company irrevocably appoints Loan Trustee the true and lawful attorney-in-fact of Company (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 Indenture, whether pursuant to foreclosure or power of sale, or otherwise, to execute and deliver all such bills of sale, assignments and other instruments as may be necessary or appropriate, with full power of substitution, Company hereby ratifying and confirming all that such attorney or any substitute does by virtue hereof in accordance with applicable law; provided that if so requested by Loan Trustee or any purchaser, Company shall ratify and confirm any such sale, assignment or transfer of delivery, by executing and delivering to Loan Trustee or such purchaser all bills of sale, assignments, releases and other proper instruments to effect such ratification and confirmation as may reasonably be designated in any such request.

(d) At any time after Loan Trustee has declared the unpaid principal amount of all Equipment Notes then outstanding to be due and payable, or all Equipment Notes shall have become due and payable as provided in the proviso to Section 4.02(a)(i), and, in either case, prior to the sale of any part of the Collateral pursuant to this Article IV, a Majority in Interest of Noteholders, by written notice to Company and Loan Trustee, may rescind and annul such declaration, whether made by Loan Trustee on its own accord or as directed or deemed declaration, and its consequences if: (i) there has been paid to or deposited with Loan Trustee an amount sufficient to pay all overdue installments of principal amount of, and interest on, the Equipment Notes, and all other amounts owing under the Operative Documents, that have become due otherwise than by such declaration of acceleration and (ii) all other Events of Default, other than nonpayment of principal amount or interest on the Equipment Notes that have become due solely because of such acceleration, have been either cured or waived; provided that no such rescission or annulment shall extend to or affect any subsequent default or Event of Default or impair any right consequent thereon.

(e) Notwithstanding anything contained herein, (i) so long as Pass Through Trustee under any Pass Through Trust Agreement or Subordination Agent on its behalf is a Noteholder, Loan Trustee 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 Pass Through Trust to fail to qualify as a "grantor trust" for U.S. federal income tax purposes, and (ii) Loan Trustee will not take any action that would violate Section 4.01(a)(ii) or 4.01(a)(iii) of the Intercreditor Agreement.

Section 4.03 Remedies Cumulative. To the extent permitted under applicable law, each and every right, power and remedy specifically given to Loan Trustee herein or otherwise in this Indenture shall be cumulative and shall be in addition to every other right, power and remedy specifically given herein or now or hereafter existing at law, in equity or by statute, and each and every right, power and remedy whether specifically given herein or otherwise existing may be exercised from time to time and as often and in such order as may be deemed expedient by Loan Trustee, 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 Loan Trustee in the exercise of any right, remedy or power or in the pursuance of any remedy shall, to the extent permitted by applicable law, impair any such right, power or remedy or be construed to be a waiver of any default on the part of Company or to be an acquiescence therein.

Section 4.04 Discontinuance of Proceedings. In case Loan Trustee has instituted any proceedings to enforce any right, power or remedy under this Indenture by foreclosure, entry or otherwise, and such proceedings have been discontinued or abandoned for any reason or have been determined adversely to Loan Trustee, then and in every such case Company and Loan Trustee 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 Loan Trustee shall continue as if no such proceedings had been undertaken (but otherwise without prejudice).

Section 4.05 Waiver of Past Defaults. Subject to Section 5.03, upon written instruction from a Majority in Interest of Noteholders, Loan Trustee 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 Indenture and the other Operative Documents, 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 each of the affected Noteholders, Loan Trustee shall not waive any default (i) in the payment of the principal amount, Make-Whole Amount, if any, or interest due under any Equipment Note then outstanding (other than with the consent of the holder thereof), or (ii) in respect of a covenant or provision hereof which, under Article IX, cannot be modified or amended without the consent of each such affected Noteholder.

Section 4.06 Noteholders May Not Bring Suit Except Under Certain Conditions. A Noteholder of any Series shall not have the right to institute any suit, action or proceeding at law or in equity or otherwise with respect to this Indenture or the Equipment Notes or otherwise, or for the appointment of a receiver or for the enforcement of any other remedy under this Indenture or the Equipment Notes or otherwise, unless:

(1) such Noteholder previously shall have given written notice to Loan Trustee of a continuing Event of Default;

(2) a Majority in Interest of Noteholders shall have requested Loan Trustee in writing to institute such action, suit or proceeding and shall have offered to Loan Trustee indemnity as provided in Section 5.03;

(3) Loan Trustee shall have refused or neglected to institute any such action, suit or proceeding for 60 days after receipt of such notice, request and offer of indemnity; and

(4) no direction inconsistent with such written request shall have been given to Loan Trustee during such 60-day period by a Majority in Interest of Noteholders.

Except to the extent provided in the Intercreditor Agreement or herein, it is understood and intended that no one or more of Noteholders of any Series shall have any right in any manner whatsoever hereunder or under the Equipment Notes of such Series to (i) surrender, impair, waive, affect, disturb or prejudice any Collateral, or the Lien of this Indenture on any Collateral, or the rights of Noteholders of such Series, (ii) obtain or seek to obtain priority over or preference with respect to any other such Noteholder of such Series or (iii) enforce any right under this Indenture or the Equipment Notes of such Series, except in the manner provided in this Indenture and for the equal, ratable and common benefit of all Noteholders of such Series subject to the provisions of this Indenture.

Section 4.07 Appointment of a Receiver. To the extent permitted by applicable law, if an Event of Default shall have occurred and be continuing, and the Equipment Notes either shall have been accelerated pursuant to Section 4.02 or have become due at maturity, Loan Trustee shall, as a matter of right, be entitled to the appointment of a receiver (who may be Loan Trustee 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, to the extent permitted by applicable law, Company 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 Loan Trustee with respect to the Collateral.

ARTICLE V

Duties of Loan Trustee

Section 5.01 Notice of Event of Default. If Loan Trustee has actual knowledge of an Event of Default or of a default arising from a failure by Company to pay when due any payment of principal amount, interest on, or Make-Whole Amount, if any, due and payable under any Equipment Note, Loan Trustee shall promptly give notice thereof to Company, the Liquidity Provider and each Noteholder. Subject to the terms of Sections 4.02, 4.05, 5.02 and 5.03, Loan Trustee shall take such action, or refrain from taking such action, with respect to such default or Event of Default (including with respect to the exercise of any rights or remedies hereunder) as Loan Trustee is instructed in writing by a Majority in Interest of Noteholders. Subject to the provisions of Section 5.03, if Loan Trustee does not receive instructions as above provided within 20 Business Days after giving notice of such default or Event of Default to Noteholders, Loan Trustee may, subject to instructions thereafter received pursuant to the preceding provisions of this Section 5.01, take such action, or refrain from taking such action with respect to such default or Event of Default as it reasonably determines to be advisable in the best interests of Noteholders, but shall be under no duty to take or refrain from taking any action. In acting pursuant to the immediately preceding sentence, Loan Trustee shall use the same degree of care and skill in connection therewith as a prudent person would use under the circumstances in the conduct of his or her own affairs. Loan Trustee may not sell the Airframe or any Engine without the consent of a Majority in Interest of Noteholders.

For all purposes of this Indenture, in the absence of actual knowledge, Loan Trustee shall not be deemed to have knowledge of a default or an Event of Default unless notified in writing by Company or one or more Noteholders; and "actual knowledge" (as used in the foregoing clause) of Loan Trustee shall mean actual knowledge of a Trust Officer of Loan Trustee; provided that Loan Trustee is deemed to have actual knowledge of (i) the failure of Company to pay any principal amount of, or interest on, the Equipment Notes directly to Loan Trustee when the same shall become due or (ii) the failure of Company to maintain insurance as required under Section 7.06 if Loan Trustee receives written notice thereof from an insurer or insurance broker.

Section 5.02 Action upon Instructions; Certain Rights and Limitations. Subject to the terms of Article IV and this Article V, upon the written instructions at any time of a Majority in Interest of Noteholders, Loan Trustee shall promptly (i) give such notice, direction, consent, waiver or approval or exercise such right, remedy or power hereunder in respect of all or any part of the Collateral or (ii) take such other action permitted hereunder, in each case, as is specified in such instructions.

Loan Trustee will cooperate with Company in connection with the recording, filing, re-recording and refiling of this Indenture and any supplements to it and any financing statements or other documents as is necessary to maintain the perfection hereof or otherwise protect the security interests created hereby. Loan Trustee shall furnish to Company upon request such information and copies of such documents as Loan Trustee may have and as are necessary for Company to perform its duties under Article II.

Section 5.03 Indemnification. Loan Trustee shall not be required to take any action or refrain from taking any action under Section 5.01 (other than the first sentence thereof) or 5.02 or Article IV unless it shall have received indemnification against any risks incurred in connection therewith in form and substance reasonably satisfactory to it, including, without limitation, adequate advances against costs that may be actually incurred by it in connection therewith. Loan Trustee shall not be required to take any action under Section 5.01 (other than the first sentence thereof) or 5.02 or Article IV, nor shall any other provision of any Operative Document be deemed to impose a duty on Loan Trustee to take any action, if Loan Trustee shall have been advised by outside counsel that such action is contrary to the terms hereof or is otherwise contrary to applicable law.

Section 5.04 No Duties Except as Specified in Indenture or Instructions. Loan Trustee shall not have any duty or obligation to manage, control, lease, use, sell, operate, store, dispose of or otherwise deal with the Aircraft or any other part of the Collateral, or to otherwise take or refrain from taking any action under, or in connection with, this Indenture, except as expressly provided by the terms of this Indenture or the Participation Agreement or as expressly provided in written instructions received pursuant to the terms of Section 5.01 or 5.02; and no implied duties or obligations shall be read into this Indenture against Loan Trustee.

Section 5.05 No Action Except under Indenture or Instructions. Loan Trustee will not manage, control, use, sell, lease, operate, store, dispose of or otherwise deal with the Aircraft or any other part of the Collateral except in accordance with the powers granted to, or the authority conferred upon, Loan Trustee pursuant to this Indenture and in accordance with the express terms hereof.

Section 5.06 Investment of Amounts Held by Loan Trustee. Any monies (including for the purpose of this Section 5.06 any amounts held by Loan Trustee pursuant to Section 3.02, 3.03 or 3.07 or pursuant to any provision of any other Operative Document providing for amounts to be held by Loan Trustee which are not distributed pursuant to the other provisions of Article III, or any cash received by Loan Trustee pursuant to Section 7.05(c) or 7.06(f) or otherwise, or Permitted Investments purchased by the use of such cash pursuant to this Section 5.06 or any cash constituting the proceeds of the maturity, sale or other disposition of any Permitted Investments) held by Loan Trustee hereunder as part of the Collateral, until paid out by Loan Trustee as herein provided, (i) subject to clause (ii) below and Section 3.07, may be carried by Loan Trustee on deposit with itself or on deposit to its account with any bank, trust company or national banking association incorporated or doing business under the laws of the United States or one of the states thereof having combined capital and surplus and retained earnings of at least $100,000,000, and Loan Trustee shall not have any liability for interest upon any such monies except as otherwise agreed in writing with Company, or (ii) at any time and from time to time, so long as no Event of Default shall have occurred and be continuing, at the request of Company, shall be invested and reinvested in Permitted Investments as specified in such request (if such investments are reasonably available for purchase) and sold, in any case at such prices, including accrued interest or its equivalent, as are set forth in such request, and, as provided in Section 3.07, such Permitted Investments shall be held by Loan Trustee in trust as part of the Collateral until so sold; provided that Company shall upon demand pay to Loan Trustee the amount of any loss realized upon maturity, sale or other disposition of any such Permitted Investment and, so long as no Event of Default or Payment Default shall have occurred and be continuing, Company shall be entitled to receive from Loan Trustee, and Loan Trustee shall promptly pay to Company, any profit, income, interest, dividend or gain realized upon maturity, sale or other disposition of any Permitted Investment. All Permitted Investments held by Loan Trustee pursuant to this Section 5.06 shall be held pursuant to Section 3.07. If an Event of Default or Payment Default shall have occurred and be continuing, any net income, profit, interest, dividend or gain realized upon maturity, sale or other disposition of any Permitted Investment shall be held as part of the Collateral and shall be applied by Loan Trustee at the same time, on the same conditions and in the same manner as the amounts in respect of which such income, profit, interest, dividend or gain was realized are required to be distributed in accordance with the provisions hereof pursuant to which such amounts were required to be held. Subject to Section 3.03, at such time as there shall not be continuing any such Event of Default or Payment Default, such income, profit, interest, dividend or gain shall be paid to Company. In addition, subject to Section 3.03, if any monies or investments are held by Loan Trustee solely because an Event of Default or Payment Default has occurred and is continuing, at such time as there shall not be continuing any such Event of Default or Payment Default, such monies and investments shall be paid to Company. Loan Trustee shall not be responsible for any losses on any investments or sales of Permitted Investments made pursuant to the procedure specified in this Section 5.06 other than by reason of its willful misconduct or negligence.

ARTICLE VI

Loan Trustee

Section 6.01 Acceptance of Trusts and Duties. Wilmington Trust Company accepts the trusts and duties hereby created and applicable to it and agrees to perform such duties, but only upon the terms of this Indenture and agrees to receive, handle and disburse all monies received by it as Loan Trustee constituting part of the Collateral in accordance with the terms of this Indenture. Wilmington Trust Company shall have no liability hereunder except (a) for its own willful misconduct or negligence, (b) as provided in the fourth sentence of Section 2.03 and the last sentence of Section 5.06, (c) for liabilities that may result from the inaccuracy of any representation or warranty of Wilmington Trust Company in the Participation Agreement or expressly made hereunder and (d) as otherwise expressly provided in the Operative Documents.

For the avoidance of doubt, Loan Trustee shall also be accountable in its capacity as Securities Intermediary with respect to the Security Account, as set forth in Section 3.07.

Section 6.02 Absence of Certain Duties. Except in accordance with written instructions furnished pursuant to Sections 5.01, 5.02 or 6.06, and except as provided in, and without limiting the generality of, Sections 5.02, 5.03 and 5.04, Loan Trustee shall have no duty (a) to see to any registration of the Aircraft or any recording or filing of this Indenture or any other document, or to see to the maintenance of any such registration, recording or filing, (b) to see to any insurance on the Aircraft or to effect or maintain any such insurance, whether or not Company is in default with respect thereto, (c) to confirm, verify or inquire into the failure to receive any financial statements of Company or (d) to inspect the Aircraft at any time or ascertain or inquire as to the performance or observance of any of Company's covenants hereunder with respect to the Aircraft.

Section 6.03 No Representations or Warranties as to the Documents. Except as provided in Article V of the Participation Agreement, Loan Trustee shall not be deemed to have made any representation or warranty as to the validity, legality or enforceability of any Operative Document or any other document or instrument, or as to the correctness of any statement (other than a statement by Loan Trustee) contained herein or therein, except that Loan Trustee hereby represents and warrants that each of said specified documents to which it is a party has been or will be duly executed and delivered by one of its officers who is and will be duly authorized to execute and deliver such document on its behalf.

Section 6.04 No Segregation of Monies; No Interest. Subject to Section 5.06 and except as provided in Section 3.07, all monies received by Loan Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but need not be segregated from other funds except to the extent required by mandatory provisions of applicable law, and neither Loan Trustee nor any agent of Loan Trustee shall be under any liability for interest on any monies received by it hereunder; provided that any payments received, or applied hereunder, by Loan Trustee shall be accounted for by Loan Trustee so that any portion thereof paid or applied pursuant hereto shall be identifiable as to the source thereof.

Section 6.05 Reliance; Agents; Advice of Counsel. Loan Trustee 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 reasonably believed by it to be genuine and reasonably believed by it to be signed by the proper party or parties. Loan Trustee may accept a copy of a resolution of the Board of Directors of any party to the Participation Agreement, certified by the Secretary or an Assistant Secretary of such party 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 any fact or matter the manner of ascertainment of which is not specifically described herein, Loan Trustee may and shall for all purposes hereof rely on a certificate, signed by a duly authorized officer of Company, as to such fact or matter, and such certificate shall constitute full protection to Loan Trustee for any action taken or omitted to be taken by it in good faith in reliance thereon. In the administration of the trusts hereunder, Loan Trustee may (a) execute any of the trusts or powers hereof and perform its powers and duties hereunder directly or through agents (including paying agents or registrars) or attorneys, and (b) at the expense of the Collateral, consult with counsel, accountants and other skilled Persons to be selected and retained by it; provided that, prior to retaining agents (including paying agents or registrars), counsel, accountants or other skilled Persons, so long as no Event of Default exists, Loan Trustee shall obtain Company's consent (such consent not to be unreasonably withheld). Loan Trustee shall not be liable for anything done, suffered or omitted in good faith by it in accordance with the advice or opinion of any such counsel, accountants or other skilled Persons acting within such counsel's, accountants' or Person's area of competence (so long as Loan Trustee shall have exercised reasonable care and judgment in selecting such Persons).

Section 6.06 Instructions from Noteholders. In the administration of the trusts created hereunder, Loan Trustee shall have the right to seek instructions from a Majority in Interest of Noteholders should any provision of this Indenture appear to conflict with any other provision herein or any other Operative Document or Pass Through Document or should Loan Trustee's duties or obligations hereunder be unclear, and Loan Trustee shall incur no liability in refraining from acting until it receives such instructions. Loan Trustee shall be fully protected for acting in accordance with any instructions received under this Section 6.06.

ARTICLE VII

Operating Covenants of Company

Section 7.01 Liens. Company will not directly or indirectly create, incur, assume or suffer to exist any Lien on or with respect to the Aircraft, its title thereto or any of its interest therein, except:

(a) the respective rights of Loan Trustee and Company as provided in the Operative Documents, the Lien of this Indenture, the rights of any Permitted Lessee under a Lease permitted hereunder and the rights of any Person existing pursuant to the Operative Documents or the Pass Through Documents;

(b) the rights of others under agreements or arrangements to the extent expressly permitted by this Indenture;

(c) Loan Trustee Liens, Noteholder Liens and Other Party Liens;

(d) Liens for Taxes either not yet overdue or being contested in good faith by appropriate proceedings so long as such proceedings do not involve any material risk of the sale, forfeiture or loss of the Airframe or any Engine or Loan Trustee's interest therein or impair the Lien of this Indenture;

(e) materialmen's, mechanics', workers', repairmen's, hangerkeeper's, landlords', employees' or other like Liens arising in the ordinary course of business (including those arising under maintenance agreements entered into in the ordinary course of business) securing obligations that either are not yet overdue for a period of more than 60 days or are being contested in good faith by appropriate proceedings so long as such proceedings do not involve any material risk of the sale, forfeiture or loss of the Airframe or any Engine or Loan Trustee's interest therein or materially impair the Lien of this Indenture;

(f) Liens arising out of any judgment or award, so long as such judgment or award is, within 60 days after the entry thereof, discharged, vacated or reversed, or execution thereof stayed pending appeal or other judicial review or is discharged, vacated or reversed within 60 days after the expiration of such stay;

(g) any other Lien with respect to which Company or any Permitted Lessee provides a bond, cash collateral or other security adequate in the reasonable opinion of Loan Trustee;

(h) salvage or similar rights of insurers under insurance policies maintained by Company or any Permitted Lessee; and

(i) Liens approved in writing by Loan Trustee with the consent of a Majority in Interest of Noteholders.

Liens described in clauses (a) through (i) above are referred to herein as "Permitted Liens". Company shall promptly, at its own expense, take (or cause to be taken) such action as may be necessary duly to discharge (by bonding or otherwise) any Lien other than a Permitted Lien arising at any time with respect to the Aircraft, its title thereto or any of its interest therein.

Section 7.02 Possession, Operation and Use, Maintenance and Registration.

(a) Possession. Without the prior written consent of Loan Trustee, Company shall not lease or otherwise in any manner deliver, transfer or relinquish possession of the Airframe or any Engine or install any Engine, or permit any Engine to be installed, on any airframe other than the Airframe; provided that Company (or, except with respect to clauses (viii) and (ix) below, any Permitted Lessee) may without the prior written consent of Loan Trustee:

(i) subject the Airframe to interchange agreements or subject any Engine to interchange, pooling, borrowing or other similar agreements or arrangements, in each case entered into by Company (or any Permitted Lessee) in the ordinary course of its business; provided that (A) no such agreement or arrangement contemplates or requires the transfer of title to the Airframe and (B) if Company's title to any such Engine is divested under any such agreement or arrangement, such divestiture shall be deemed to be an Event of Loss with respect to such Engine, and Company shall (or shall cause any Permitted Lessee to) comply with Section 7.05(b) in respect thereof;

(ii) deliver possession of the Airframe or any Engine to (x) any Person for testing, service, repair, restoration, storage, maintenance or other similar purposes or for alterations, modifications or additions to the Airframe or such Engine to the extent required or permitted by the terms hereof or (y) to any Person for purposes of transport to a Person referred to in the preceding clause (x);

(iii) transfer or permit the transfer of possession of the Airframe or any Engine to any Government pursuant to a lease, contract or other instrument;

(iv) subject the Airframe or any Engine to the CRAF Program or transfer possession of the Airframe or any Engine to the United States government in accordance with applicable laws, rulings, regulations or orders (including, without limitation, any transfer of possession pursuant to the CRAF Program); provided that Company (or any Permitted Lessee) (A) shall promptly notify Loan Trustee upon transferring possession of the Airframe or any Engine pursuant to this clause (iv) and (B) in the case of a transfer of possession pursuant to the CRAF Program, shall notify Loan Trustee of the name and address of the responsible Contracting Office Representative for the Air Mobility Command of the United States Air Force or other appropriate Person to whom notices must be given and to whom requests or claims must be made to the extent applicable under the CRAF Program;

(v) install an Engine on an airframe owned by Company (or any Permitted Lessee) free and clear of all Liens, except (A) Permitted Liens and Liens that apply only to the engines (other than Engines), appliances, parts, instruments, appurtenances, accessories, furnishings and other equipment (other than Parts) installed on such airframe (but not to the airframe as an entirety) and (B) the rights of third parties under interchange, pooling, borrowing or other similar agreements or arrangements that would be permitted under clause (i) above;

(vi) install an Engine on an airframe leased to Company (or any Permitted Lessee) or purchased or owned by Company (or any Permitted Lessee) subject to a lease, conditional sale or other security agreement; provided that: (A) such airframe is free and clear of all Liens except (1) the rights of the parties to the lease or conditional sale or other security agreement covering such airframe, or their successors and assigns, and (2) Liens of the type permitted by clause (v) of this Section 7.02(a); and (B) either: (1) Company has obtained from the lessor, conditional vendor or secured party of such airframe a written agreement (which may be a copy of the lease, conditional sale or other security agreement covering such airframe), in form reasonably satisfactory to Loan Trustee (an agreement from such lessor, conditional vendor or secured party substantially in the form of the penultimate paragraph of this Section 7.02(a) being deemed to be satisfactory to Loan Trustee), whereby such lessor, conditional vendor or secured party expressly agrees that neither it nor its successors or assigns will acquire or claim any right, title or interest in any Engine by reason of such Engine being installed on such airframe at any time while such Engine is subject to the Lien of this Indenture, or (2) such lease, conditional sale or other security agreement provides that such Engine shall not become subject to the Lien of such lease, conditional sale or other security agreement at any time while such Engine is subject to the Lien of this Indenture, notwithstanding its installation on such airframe;

(vii) install an Engine on an airframe owned by Company (or any Permitted Lessee), leased to Company (or any Permitted Lessee) or purchased by Company (or any Permitted Lessee) subject to a conditional sale or other security agreement under circumstances where neither clause (v) nor clause (vi) of this Section 7.02(a) is applicable; provided that such installation shall be deemed an Event of Loss with respect to such Engine, and Company shall comply with Section 7.05(b) in respect thereof, if such installation adversely affects Loan Trustee's security interest in such Engine, Loan Trustee not intending hereby to waive any right or interest it may have to or in such Engine under applicable law until compliance by Company with Section 7.05(b);

(viii) lease any Engine, the Airframe or the Airframe and Engines to any United States air carrier as to which there is in force a certificate issued pursuant to the Transportation Code or successor provision that gives like authority; provided that no Event of Default exists at the time such lease is entered into; and

(ix) lease any Engine, the Airframe or the Airframe and Engines to (A) any foreign air carrier that is at the inception of the lease based in and a domiciliary of a country listed in Exhibit B hereto, (B) the manufacturer of the Airframe or any Engine (either directly or through an affiliate) or (C) any foreign air carrier consented to in writing by Loan Trustee with the consent of a Majority in Interest of Noteholders; provided that (w) no Event of Default exists at the time such lease is entered into, (x) in the case of a lease to any foreign air carrier (other than a foreign air carrier principally based in Taiwan), the United States maintains normal diplomatic relations with the country in which such foreign air carrier is based at the time such lease is entered into and in the case of a lease to a foreign air carrier principally based in Taiwan, the United States maintains diplomatic relations with Taiwan at least as good as those on the Closing Date, (y) in the case of a lease to any foreign air carrier, Company furnishes Loan Trustee with a certificate from a Responsible Officer of Company certifying that there exist no possessory rights in favor of such lessee under the laws of such lessee's country which would, upon bankruptcy or insolvency of or other default by Company, and assuming at such time such lessee is not insolvent or bankrupt, prevent the taking of possession of any such Engine or the Airframe and any such Engine by Loan Trustee in accordance with and when permitted by the terms of Section 4.02 upon the exercise by Loan Trustee of its remedies under Section 4.02, and (z) in the case of any lease to a foreign air carrier, such carrier 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;

provided that the rights of any lessee or other transferee who receives possession of the Aircraft, the Airframe or any Engine by reason of a transfer permitted by this Section 7.02(a) (other than the transfer of an Engine which is deemed an Event of Loss) shall be subject and subordinate to, and any permitted lease shall be made expressly subject and subordinate to, all the terms of this Indenture, including Loan Trustee's rights to repossess pursuant to Section 4.02 and to avoid such lease upon such repossession, and Company shall remain primarily liable hereunder for the performance and observance of all of the terms and conditions of this Indenture to the same extent as if such lease or transfer had not occurred, any such lease shall include appropriate provisions for the maintenance and insurance of the Aircraft, the Airframe or such Engine, and no lease or transfer of possession otherwise in compliance with this Section shall (x) result in any registration or re-registration of the Aircraft except to the extent permitted in Section 7.02(e) or the maintenance, operation or use thereof that does not comply with Sections 7.02(b) and (c) or (y) permit any action not permitted to be taken by Company with respect to the Aircraft hereunder. Company shall promptly notify Loan Trustee and the Rating Agencies of the existence of any such lease with a term in excess of one year.

Loan Trustee, each Noteholder by acceptance of an Equipment Note, and each Related Noteholder by acceptance of a Related Equipment Note agrees, for the benefit of Company (and any Permitted Lessee) and for the benefit of the lessor, conditional vendor or secured party of any airframe or engine leased to Company (or any Permitted Lessee) or leased to or purchased or owned by Company (or any Permitted Lessee) subject to a conditional sale or other security agreement, that Loan Trustee, Noteholders and Related Noteholders will not acquire or claim, as against Company (or any Permitted Lessee) or such lessor, conditional vendor or secured party, any right, title or interest in: (A) any engine or engines owned by Company (or any Permitted Lessee) or by the lessor under such lease or subject to a security interest in favor of the conditional vendor or secured party under any conditional sale or other security agreement as the result of such engine or engines being installed on the Airframe at any time while such engine or engines are subject to such lease or conditional sale or other security agreement, or (B) any airframe owned by Company (or any Permitted Lessee) or by the lessor under such lease or subject to a security interest in favor of the conditional vendor or secured party under any conditional sale or other security agreement as the result of any Engine being installed on such airframe at any time while such airframe is subject to such lease or conditional sale or other security agreement.

Loan Trustee acknowledges that any "wet lease" or other similar arrangement under which Company (or any Permitted Lessee) maintains operational control of the Aircraft does not constitute a delivery, transfer or relinquishment of possession for purposes of this Section 7.02(a).

(b) Operation and Use. Company agrees that the Aircraft will not be used or operated in violation of any law, rule or regulation of any government of any country having jurisdiction over the Aircraft or in violation of any airworthiness certificate, license or registration relating to the Aircraft issued by any such government, except (i) immaterial or non-recurring violations with respect to which corrective measures are taken promptly by Company or a Permitted Lessee, as the case may be, upon discovery thereof or (ii) to the extent Company (or, if a Lease is then in effect, any Permitted Lessee) is contesting in good faith the validity or application of any such law, rule or regulation or airworthiness certificate, license or registration in any manner that does not involve any material risk of sale, forfeiture or loss of the Aircraft or impair the Lien of this Indenture; provided that Company shall not be in default under, or required to take any action set forth in, this sentence if it is not possible for it (or any Permitted Lessee) to comply with the laws of a jurisdiction other than the United States (or other than any jurisdiction in which the Aircraft is then registered) because of a conflict with the applicable laws of the United States (or such jurisdiction in which the Aircraft is then registered). Company shall also have the right to operate the Aircraft without having on board the original registration certificate or airworthiness certificate in the event that either or both such certificates disappear from the Aircraft, but only to the extent permitted by Exemption No. 5318 of the regulations of the FAA or other similar exemption. Company will not operate the Aircraft, or permit the Aircraft to be operated or located, (i) in any area excluded from coverage by any insurance required by the terms of Section 7.06 or (ii) in any war zone or recognized or, in Company's judgment, threatened areas of hostilities unless covered by war risk insurance in accordance with Section 7.06, unless in the case of either clause (i) or (ii), (x) government indemnification complying with Sections 7.06(a) and (b) has been provided or (y) the Aircraft is only temporarily located in such area as a result of an isolated occurrence or isolated series of occurrences attributable to a hijacking, medical emergency, equipment malfunction, weather conditions, navigational error or other similar circumstances or any other circumstances beyond the reasonable control of Company (or any Permitted Lessee) and Company (or any Permitted Lessee) is using its good faith efforts to remove the Aircraft from such area as promptly as practicable.

(c) Maintenance. Company shall maintain, service, repair and overhaul the Aircraft (or cause the same to be done) (i) so as to keep the Aircraft in good operating condition and in such condition as may be necessary to enable the airworthiness certification of the Aircraft to be maintained in good standing at all times (other than (v) during temporary periods of storage, during maintenance, testing or modification permitted hereunder, (w) during periods of grounding by applicable governmental authorities, (x) during periods when the FAA or such other aviation authority has revoked or suspended the airworthiness certificates for aircraft of the same manufacturer and model as the Aircraft, (y) with respect to minor or non-recurring violations with respect to which corrective measures are taken promptly upon discovery thereof and (z) to the extent Company or any Permitted Lessee is promptly contesting in good faith the validity or application of any law or requirement relating to any such certification in any manner which does not create a material risk of sale, loss or forfeiture of the Aircraft, the Airframe or any Engine or the interest of Loan Trustee therein or any material risk of criminal liability or material civil penalty against Loan Trustee) under the Transportation Code, during such periods in which the Aircraft is registered under the laws of the United States, or, if the Aircraft is registered under the laws of any other jurisdiction, the applicable laws of such jurisdiction and (ii) using the same standards as Company (or a Permitted Lessee, if a Lease is in effect) uses with respect to similar aircraft operated by Company (or such Permitted Lessee) in similar circumstances (it being understood that the obligations pursuant to this clause (ii) do not limit Company's obligations under the preceding clause (i)). In any case, the Aircraft will be maintained in accordance with the maintenance standards required by the FAA (while operated under an FAA-approved maintenance program) or, while operated under the maintenance program of another jurisdiction, standards substantially equivalent to those required by the central aviation authority of Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, the Netherlands, New Zealand, Norway, Spain, Sweden, Switzerland or the United Kingdom. Company shall maintain or cause to be maintained all records, logs and other documents required to be maintained in respect of the Aircraft by appropriate authorities in the jurisdiction in which the Aircraft is registered.

(d) Identification of Loan Trustee's Interest. If not prevented by applicable law or regulations or by any government, Company agrees to affix as promptly as practicable after the Closing Date and thereafter to maintain in the cockpit of the Aircraft, in a clearly visible location, and on each Engine, a nameplate bearing the inscription "MORTGAGED TO WILMINGTON TRUST COMPANY, AS LOAN TRUSTEE" (such nameplate to be replaced, if necessary, with a nameplate reflecting the name of any successor Loan Trustee). Such placards may be removed temporarily, if necessary, in the course of maintenance of the Airframe or Engines.

(e) Registration. Company shall cause the Aircraft to remain duly registered, under the laws of the United States, in the name of Company except as otherwise required by the Transportation Code; provided that Loan Trustee shall, at Company's expense, execute and deliver all such documents as Company may reasonably request for the purpose of continuing such registration. Notwithstanding the preceding sentence, Company, at its own expense, may cause or allow the Aircraft to be duly registered under the laws of any foreign jurisdiction in which a Permitted Lessee could be principally based, in the name of Company or of any nominee of Company, or, if required by applicable law, in the name of any other Person (and, following any such foreign registration, may cause the Aircraft to be re-registered under the laws of the United States); provided that in the case of jurisdictions other than those approved by Loan Trustee with the consent of a Majority in Interest of Noteholders (i) if such jurisdiction is at the time of registration listed on Exhibit B, Loan Trustee shall have received at the time of such registration an opinion of counsel to Company to the effect that (A) this Indenture and Loan Trustee's right to repossession hereunder is valid and enforceable under the laws of such country, (B) after giving effect to such change in registration, the Lien of this Indenture shall continue as a valid Lien and shall be duly perfected in the new jurisdiction of registration and that all filing, recording or other action necessary to perfect and protect the Lien of this Indenture has been accomplished (or if such opinion cannot be given at such time, (x) the opinion shall detail what filing, recording or other action is necessary and (y) Loan Trustee shall have received a certificate from a Responsible Officer of Company that all possible preparations to accomplish such filing, recording and other action shall have been done, and such filing, recording and other action shall be accomplished and a supplemental opinion to that effect shall be promptly delivered to Loan Trustee subsequent to the effective date of such change in registration), (C) the obligations of Company under this Indenture shall remain valid, binding and (subject to customary bankruptcy and equitable remedies exceptions and to other exceptions customary in foreign opinions generally) enforceable under the laws of such jurisdiction (or the laws of the jurisdiction to which the laws of such jurisdiction would refer as the applicable governing law), (D) all approvals or consents of any government in such jurisdiction having jurisdiction required for such change in registration shall have been duly obtained and shall be in full force and effect and (E) (unless Company shall have agreed to provide insurance covering the risk of requisition of use or title of the Aircraft by the government of such jurisdiction so long as the Aircraft is registered under the laws of such jurisdiction) the laws of such jurisdiction require fair compensation by the government of such jurisdiction payable in currency freely convertible into Dollars for the loss of use or title of the Aircraft in the event of requisition by such government of such use or title, and (ii) if such jurisdiction is at the time of registration not listed on Exhibit B, Loan Trustee shall have received (in addition to the opinions set forth in clause (i) above) at the time of such registration an opinion of counsel to Company to the effect that (A) the terms of this Indenture are legal, valid, binding and enforceable in such jurisdiction (subject to exceptions customary in such jurisdiction; provided that, subject to exceptions relating to bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally and exceptions relating to general principles of equity, such counsel shall opine that any applicable laws limiting the remedies provided in Section 4.02 do not in the opinion of such counsel make the remedies provided in Section 4.02 inadequate for the practical realization of the rights and benefits provided thereby), (B) it is not necessary for Loan Trustee to register or qualify to do business in such jurisdiction and (C) there is no tort liability of the lender of an aircraft not in possession thereof under the laws of such jurisdiction other than tort liability that might have been imposed on such lender under the laws of the United States or any state thereof (it being understood that such opinion shall be waived if insurance reasonably satisfactory to Loan Trustee is provided, at Company's expense, to cover such risk). Loan Trustee will cooperate with Company in effecting such foreign registration. Notwithstanding the foregoing, prior to any such change in the country of registry of the Aircraft, the following conditions shall be met (or waived as provided in Section 6.01(b) of the Participation Agreement):

(i) no Event of Default shall have occurred and be continuing at the effective date of the change in registration; provided that it shall not be necessary to comply with this condition if the change in registration results in the registration of the Aircraft under the laws of the United States or if a Majority in Interest of Noteholders consents to such change in registration;

(ii) Loan Trustee shall have received evidence of compliance with the insurance provisions contained herein after giving effect to such change in registration;

(iii) other than in the case of a change in registration to Taiwan, the proposed change in registration is made to a country with which the United States then maintains normal diplomatic relations, and in the case of a change in registration to Taiwan, the United States maintains diplomatic relations with Taiwan at least as good as those on the Closing Date; and

(iv) Company shall have paid or made provision reasonably satisfactory to Loan Trustee for the payment of all reasonable expenses (including reasonable attorneys' fees) of Loan Trustee and Noteholders in connection with such change in registration.

Company shall (i) from time to time, take such actions as may be required to be taken by Company so that any International Interest arising in relation to this Indenture, the Aircraft, any Replacement Aircraft, any Engine or Replacement Engine may be duly registered (and any such registration may be assigned, amended, extended or discharged) at the International Registry, and (ii) obtain from the International Registry all approvals as may be required duly and timely to perform Company's obligations under this Indenture with respect to the registration of any such International Interest. Loan Trustee shall take all actions necessary with respect to the International Registry to consent to Company's initiation of any registrations required under this Indenture to enable Company to complete such registrations, including, without limitation, appointing Crowe & Dunlevy, a Professional Corporation (or another qualified FAA counsel), as its "professional user entity" (as defined in the Cape Town Treaty) to consent to any registrations on the International Registry with respect to the Airframe or any Engine.

Section 7.03 Inspection; Financial Information.

(a) Inspection. At all reasonable times, but upon at least 15 Business Days' prior written notice to Company, Loan Trustee or its authorized representatives may, subject to the other conditions of this Section 7.03(a), inspect the Aircraft and may inspect the books and records of Company relating to the maintenance of the Aircraft required to be maintained by the FAA or the government of another jurisdiction in which the Aircraft is then registered; provided that (i) Loan Trustee or its representatives, as the case may be, shall be fully insured at no cost to Company or any Permitted Lessee in a manner satisfactory to Company and such Permitted Lessee with respect to any risks incurred in connection with any such inspection or shall provide to Company and such Permitted Lessee a written release satisfactory to Company and such Permitted Lessee with respect to such risks, (ii) any such inspection shall be during Company's or Permitted Lessee's, as the case may be, normal business hours and subject to the safety, security and workplace rules applicable at the location where such inspection is conducted and any applicable governmental rules or regulations, (iii) any such inspection of the Aircraft shall be a visual, walk-around inspection of the interior and exterior of the Aircraft and shall not include opening any panels, bays or the like without Company's express consent, which consent Company may in its sole discretion withhold, and (iv) no exercise of such inspection right shall interfere with the use, operation or maintenance of the Aircraft by, or the business of, Company or any Permitted Lessee and Company and any Permitted Lessee shall not be required to undertake or incur any additional liabilities in connection therewith. All information obtained in connection with any such inspection of the Aircraft and of such books and records shall be Confidential Information and shall be treated by Loan Trustee and its representatives in accordance with the provisions of Section 10.16. Any inspection pursuant to this Section 7.03(a) shall be at the sole risk (including, without limitation, any risk of personal injury or death) and expense of Loan Trustee (or its representatives) making such inspection. Except during the continuance of an Event of Default, all inspections by Loan Trustee and its representatives provided for under this Section 7.03(a) shall be limited to one inspection of any kind contemplated by this Section 7.03(a) during any consecutive twelve month period.

(b) Financial Information. So long as any of the Secured Obligations remain unpaid, Company agrees to furnish to Loan Trustee: (i) within 60 days after the end of each of the first three quarterly periods in each fiscal year of Company or FedEx Corporation, as applicable, either (x) a consolidated balance sheet of Company and its consolidated subsidiaries prepared by it as of the close of such period, together with the related consolidated statements of income for such period or (y) a report of FedEx Corporation on Form 10-Q in respect of such period in the form filed with the Securities and Exchange Commission and (ii) within 120 days after the close of each fiscal year of Company or FedEx Corporation, as applicable, either (x) a consolidated balance sheet of Company and its consolidated subsidiaries as of the close of such fiscal year, together with the related consolidated statements of income for such fiscal year, certified by independent public accountants, or (y) a report of FedEx Corporation on Form 10-K in respect of such year in the form filed with the Securities and Exchange Commission. The items required to be furnished pursuant to clause (i) and clause (ii) above shall be deemed to have been furnished on the date on which such item is posted on the Securities and Exchange Commission's website at www.sec.gov, and such posting shall be deemed to satisfy the requirements of clause (i) and clause (ii); provided that Company will deliver a paper copy of any item referred to in clause (i) and clause (ii) above if Loan Trustee so requests.

Section 7.04 Replacement and Pooling of Parts; Alterations, Modifications and Additions; Substitution of Airframe and Engines.

(a) Replacement of Parts. Company shall (or shall cause a Permitted Lessee to) promptly replace or cause to be replaced all Parts incorporated or installed in or attached to the Airframe or any Engine and that become worn out, lost, stolen, destroyed, seized, confiscated, damaged beyond repair or rendered permanently unfit for use for any reason, except as otherwise provided in Section 7.04(c) or if the Airframe or an Engine to which a Part relates has suffered an Event of Loss. In addition, Company (or any Permitted Lessee) may remove (or cause to be removed) in the ordinary course of maintenance, service, repair, overhaul or testing, any Parts, whether or not worn out, lost, stolen, destroyed, seized, confiscated, damaged beyond repair or rendered permanently unfit for use; provided that Company (or any Permitted Lessee), except as otherwise provided in Section 7.04(c), will replace such Parts as promptly as practicable. All replacement Parts shall be free and clear of all Liens (except for Permitted Liens and except in the case of replacement property temporarily installed on an emergency basis) and shall be in the condition and repair required to be maintained by the terms hereof. Except as otherwise provided in Section 7.04(c), any Part removed from the Airframe or any Engine shall remain subject to the Lien of this Indenture no matter where located until it is replaced by a part incorporated or installed in or attached to the Airframe or such Engine that meets the requirements for replacement Parts specified above. Immediately upon any replacement Part becoming incorporated or installed in or attached to the Airframe or any Engine as above provided (except in the case of replacement property temporarily installed on an emergency basis), without further act, (i) the replaced Part shall thereupon be free and clear of all rights of Loan Trustee and of the Lien of this Indenture and shall no longer be deemed a Part hereunder, and (ii) such replacement Part shall become subject to the Lien of this Indenture and be deemed a Part of the Airframe or such Engine for all purposes to the same extent as the Parts originally incorporated or installed in or attached to the Airframe or such Engine. Upon request of Company from time to time, Loan Trustee shall execute and deliver to Company instruments reasonably requested by Company confirming the release of any such replaced Part from the Lien of this Indenture.

(b) Pooling of Parts. Any Part removed from the Airframe or any Engine as provided in Section 7.04(a) may be subjected by Company or a Person permitted to be in possession of the Airframe or such Engine to a pooling arrangement entered into in the ordinary course of Company's or such Person's business; provided that the part replacing such removed Part shall be incorporated or installed in or attached to the Airframe or such Engine in accordance with Section 7.04(a) as promptly as practicable after the removal of such removed Part. In addition, any replacement Part when incorporated or installed in or attached to the Airframe or any Engine may be owned by any third party subject to such a pooling arrangement; provided that Company, at its expense, as promptly thereafter as practicable either (i) causes title to such replacement Part to vest in Company free and clear of all Liens (except Permitted Liens), or (ii) replaces (or causes to be replaced) such replacement Part by incorporating or installing in or attaching to the Airframe or such Engine a further replacement Part in the manner contemplated by Section 7.04(a).

(c) Alterations, Modifications and Additions. Company will, or will cause a Permitted Lessee to, make (or cause to be made) such alterations and modifications in and additions to the Airframe and the Engines as are required from time to time to meet the applicable requirements of the FAA or any applicable government of any other jurisdiction in which the Aircraft is then registered; except for (i) immaterial and non-recurring violations with respect to which corrective measures are being taken promptly by Company (or, if a Lease is then in effect, any Permitted Lessee) upon discovery thereof and (ii) any law, rule, regulation or order the validity or application of which is being contested in good faith by Company (or, if a Lease is then in effect, any Permitted Lessee) in any manner which does not involve any material risk of sale, loss or forfeiture of the Aircraft and does not materially adversely affect Loan Trustee's interest in the Aircraft. In addition, Company (or any Permitted Lessee), at its own expense, may from time to time add further parts or accessories and make or cause to be made such alterations and modifications in and additions to the Airframe or any Engine as Company (or any Permitted Lessee) deems desirable in the proper conduct of its business, including, without limitation, removal (without replacement) of Parts; provided that no such alteration, modification or addition shall materially diminish the value or utility of the Airframe or such Engine below its value or utility immediately prior to such alteration, modification or addition, assuming that the Airframe or such Engine was then in the condition required to be maintained by the terms of this Indenture, except that the value (but not the utility) of the Airframe or any Engine may be reduced by the value of any such Parts that are removed that Company (or such Permitted Lessee) deems obsolete or no longer suitable or appropriate for use on the Airframe or any Engine. All Parts incorporated or installed in or attached or added to the Airframe or any Engine as the result of such alteration, modification or addition shall, without further act, be subject to the Lien of this Indenture. Notwithstanding the foregoing, Company (or any Permitted Lessee) may, at any time, remove any Part from the Airframe or any Engine if such Part: (i) is in addition to, and not in replacement of or substitution for, any Part originally incorporated or installed in or attached to the Airframe or such Engine at the time of delivery thereof to Company or any Part in replacement of, or substitution for, any such Part, (ii) is not required to be incorporated or installed in or attached or added to the Airframe or such Engine pursuant to the first sentence of this Section 7.04(c) and (iii) can be removed from the Airframe or such Engine without materially diminishing the value or utility required to be maintained by the terms of this Indenture that the Airframe or such Engine would have had had such Part never been installed on the Airframe or such Engine. Upon the removal by Company (or any Permitted Lessee) of any Part as permitted by this Section 7.04(c), such removed Part shall, without further act, be free and clear of all rights and interests of Loan Trustee and the Lien of this Indenture and shall no longer be deemed a Part hereunder. Upon request of Company from time to time, Loan Trustee shall execute and deliver to Company instruments reasonably requested by Company confirming the release of any such removed Part from the Lien of this Indenture. Loan Trustee and each Noteholder by acceptance of and Equipment Note acknowledges that it has no interest in the Excluded Equipment. Notwithstanding the provisions of this Section 7.04(c) or any other term or condition of this Indenture, Company (or any Permitted Lessee) may from time to time install on, and remove from, the Aircraft equipment that is owned by, leased to or conditionally sold to Company (or any Permitted Lessee) (and title to such equipment shall remain vested in Company, such Permitted Lessee, or the lessor or the conditional vendor thereof) if (1) such equipment is Excluded Equipment and (2) the location affected by any such removal, if damaged, is repaired prior to return, in a workmanlike manner, to a condition suitable for use in the Company's business; provided that all costs of installation, removal and replacement shall be the responsibility of Company.

(d) Substitution of Engines. Company shall have the right at its option at any time and from time to time, on at least 30 days' prior written notice to Loan Trustee, to substitute a Replacement Engine for any Engine. In such event, and prior to the date of such substitution, Company shall replace such Engine by complying with the terms of Section 7.05(b) to the same extent as if an Event of Loss had occurred with respect to such Engine.

(e) Substitution of Airframe. Company shall have the right at its option at any time and from time to time, on at least ten Business Days' prior written notice to Loan Trustee, to substitute a Substitute Airframe, free and clear of all Liens (other than Permitted Liens), for the Airframe so long as (i) no Event of Default shall have occurred and be continuing at the time of substitution, (ii) the Substitute Airframe has a date of manufacture no earlier than one year prior to the date of manufacture of the Airframe subject to the Lien of this Indenture on the Closing Date (each such date of manufacture, in each case, to be deemed to be the date of original delivery of the applicable airframe to a customer by the Manufacturer) and (iii) the Substitute Airframe has a MCMV (as defined below) at least equal to the MCMV of the Airframe being replaced by the Substitute Airframe (assuming that the Airframe had been maintained in accordance with this Indenture), in each case as determined by a desktop appraisal dated as of a date within the 60-day period prior to the substitution performed by an Appraiser selected by Company. "MCMV" is the "current market value" (as defined by the International Society of Transport Aircraft Trading or any successor organization) adjusted for the maintenance status of the Substitute Airframe and the Airframe being replaced by the Substitute Airframe, as applicable, such maintenance status to be based upon maintenance data provided by Company to the applicable Appraiser with respect to the Substitute Airframe and such Airframe as of the same date within the 60-day period prior to the substitution for both the Substitute Airframe and such Airframe.

Prior to or at the time of any substitution under this Section 7.04(e), Company will (A) cause an Indenture Supplement covering such Substitute Airframe to be delivered to Loan Trustee for execution and, upon such execution, to be filed for recordation pursuant to the Transportation Code or the applicable laws of any other jurisdiction in which the Aircraft may then be registered, (B) cause the sale of such Substitute Airframe to Company (if occurring after February 28, 2006 and if the seller of such Substitute Airframe is "situated in" a country that has ratified the Cape Town Convention) and the International Interest created pursuant to the Indenture Supplement in favor of Loan Trustee with respect to such Substitute Airframe to be registered on the International Registry as a sale or an International Interest, respectively; provided that if the seller of such Substitute Airframe is not situated in a country that has ratified the Cape Town Convention, Company will use its reasonable efforts to cause the seller to register the contract of sale on the International Registry, (C) cause a financing statement or statements with respect to such Substitute Airframe or other requisite documents or instruments to be filed in such place or places as necessary in order to perfect Loan Trustee's interest therein in the United States, or in any other jurisdiction in which the Aircraft may then be registered, (D) furnish Loan Trustee with an opinion of counsel to Company (which may be internal counsel of Company) addressed to Loan Trustee to the effect that upon such substitution, such Substitute Airframe will be subject to the Lien of this Indenture and addressing the matters set forth in clauses (A), (B) and (C), (E) furnish Loan Trustee with evidence of compliance with the insurance provisions of Section 7.06 with respect to such Substitute Airframe, (F) furnish Loan Trustee with a copy of the original bill of sale in respect of such Substitute Airframe, and (G) furnish Loan Trustee with an opinion of counsel to Company (which may be internal counsel of Company) in form reasonably satisfactory to Loan Trustee to the effect that Loan Trustee will be entitled to the benefits of Section 1110 with respect to the Substitute Airframe; provided that (i) such opinion need not be delivered to the extent that the benefits of Section 1110 were not, by reason of a change in law or governmental or judicial interpretation thereof, available to Loan Trustee with respect to the Aircraft immediately prior to such substitution and (ii) such opinion may contain qualifications and assumptions of the tenor contained in the opinion of counsel to Company delivered pursuant to Section 3.01 of the Participation Agreement on the Closing Date and such other qualifications and assumptions as shall at the time be customary in opinions rendered in comparable circumstances.

In the case of the Substitute Airframe subjected to the Lien of this Indenture under this Section 7.04(e), promptly upon the recordation of the Indenture Supplement covering such Substitute Airframe pursuant to the Transportation Code (or pursuant to the applicable law of such other jurisdiction in which such Substitute Airframe is registered), Company will cause to be delivered to Loan Trustee a favorable opinion of aviation law counsel to Company (which may be internal counsel of Company) addressed to Loan Trustee as to the due registration of the aircraft to which the Substitute Airframe is part and the due recordation of such Indenture Supplement or such other requisite documents or instruments, the registration with the International Registry of the sale of such Substitute Airframe to Company (if occurring after February 28, 2006 and if the seller of such Substitute Airframe is "situated in" a country that has ratified the Cape Town Convention) and of the International Interests created pursuant to the Indenture Supplement with respect to such Substitute Airframe and the validity and perfection of the security interest in the Substitute Airframe granted to Loan Trustee under this Indenture.

For all purposes hereof, upon the attachment of the Lien of this Indenture thereto, the Substitute Airframe shall become part of the Collateral and shall be deemed an "Airframe" as defined herein. Upon compliance with clauses (A) through (G) of the second preceding paragraph, Loan Trustee shall execute and deliver to Company an appropriate instrument releasing the replaced Airframe, all proceeds (including, without limitation, insurance proceeds, if any), the Warranty Rights in respect of such replaced Airframe and all rights relating to the foregoing, from the Lien of this Indenture, and will take such actions as may be required to be taken by Loan Trustee to cancel or release any International Interest of Loan Trustee registered with the International Registry in relation to such replaced Airframe.

Section 7.05 Loss, Destruction or Requisition.

(a) Event of Loss with Respect to the Airframe. Upon the occurrence of an Event of Loss with respect to the Airframe or the Airframe and the Engines then installed thereon, Company shall as soon as practicable (and, in any event, within 30 days after an Event of Loss has occurred) notify Loan Trustee of such Event of Loss, and, within 90 days after such Event of Loss, Company shall give Loan Trustee written notice of its election to perform one of the following options (it being agreed that if Company has not given such notice of election within such 90-day period, Company shall be deemed to have elected to perform the option set forth in the following clause (ii)). Company may elect either to:

(i) substitute, on or before the Loss Payment Date (as defined below), as replacement for the Airframe or Airframe and Engines with respect to which an Event of Loss has occurred, a Replacement Airframe (together with a number of Replacement Engines equal to the number of Engines, if any, with respect to which the Event of Loss occurred), such Replacement Airframe and Replacement Engines to be owned by Company free and clear of all Liens (other than Permitted Liens); provided that if Company has not performed such obligation on or prior to the Loss Payment Date, then Company shall on the Loss Payment Date redeem the Equipment Notes in full in accordance with Section 2.10; or

(ii) redeem, on or before the Loss Payment Date, the Equipment Notes in full in accordance with Section 2.10. Company shall give Loan Trustee 20 days' prior written notice if it elects to redeem the Equipment Notes on any day prior to the Loss Payment Date.

The "Loss Payment Date" with respect to an Event of Loss means the Business Day next succeeding the 120th day following the date of occurrence of such Event of Loss.

If Company elects to substitute a Replacement Airframe (or a Replacement Airframe and one or more Replacement Engines, as the case may be) Company shall, at its sole expense, not later than the Loss Payment Date, (A) cause an Indenture Supplement for such Replacement Airframe and Replacement Engines, if any, to be delivered to Loan Trustee for execution and, upon such execution, to be filed for recordation pursuant to the Transportation Code or the applicable laws of such other jurisdiction in which the Aircraft is then registered, (B) cause the sale of such Replacement Airframe and Replacement Engines, if any, to Company (if occurring after February 28, 2006 and if the seller of such Replacement Airframe and Replacement Engines, if any, is "situated in" a country that has ratified the Cape Town Convention) and the International Interest created pursuant to the Indenture Supplement in favor of Loan Trustee with respect to such Replacement Airframe and Replacement Engines, if any, each to be registered on the International Registry as a sale or an International Interest, respectively; provided that if the seller of such Replacement Airframe and Replacement Engines, if any, is not situated in a country that has ratified the Cape Town Convention, Company will use its reasonable efforts to cause the seller to register the contract of sale on the International Registry, (C) cause a financing statement or statements with respect to the Replacement Airframe and Replacement Engines, if any, or other requisite documents or instruments to be filed in such place or places as necessary in order to perfect Loan Trustee's interest therein in the United States, or in any other jurisdiction in which the Aircraft is then registered, (D) furnish Loan Trustee with an opinion of Company's counsel (which may be internal counsel of Company) addressed to Loan Trustee to the effect that upon such replacement, such Replacement Airframe and Replacement Engines, if any, will be subject to the Lien of this Indenture and addressing the matters set forth in clauses (A), (B) and (C), (E) furnish Loan Trustee with a certificate of an independent aircraft engineer or appraiser, certifying that the Replacement Airframe and Replacement Engines, if any, have a value and utility at least equal to (but in any event without regard to component modification status or the number of hours or cycles, in either case since new, since any particular overhaul or maintenance visit or remaining until any particular overhaul or maintenance visit) the Airframe and Engines, if any, so replaced, assuming the Airframe and such Engines were in the condition and repair required by the terms hereof immediately prior to the occurrence of such Event of Loss, (F) furnish Loan Trustee with evidence of compliance with the insurance provisions of Section 7.06 with respect to such Replacement Airframe and Replacement Engines, if any, (G) furnish Loan Trustee with a copy of the original bill of sale in respect of such Replacement Airframe and a copy of the original bill of sale or, if the bill of sale is unavailable, other evidence of ownership in form reasonably satisfactory to Loan Trustee (which may be a copy of an invoice or purchase order) in respect of such Replacement Engines, if any, and (H) furnish Loan Trustee with an opinion of Company's counsel (which may be internal counsel of Company) in form reasonably satisfactory to Loan Trustee to the effect that Loan Trustee will be entitled to the benefits of Section 1110 with respect to the Replacement Airframe; provided that (i) such opinion need not be delivered to the extent that the benefits of Section 1110 were not, by reason of a change in law or governmental or judicial interpretation thereof, available to Loan Trustee with respect to the Aircraft immediately prior to such substitution and (ii) such opinion may contain qualifications and assumptions of the tenor contained in the Section 1110 opinion of Company's counsel delivered pursuant to Section 3.01 of the Participation Agreement on the Closing Date and such other qualifications and assumptions as are at the time customary in opinions rendered in comparable circumstances.

In the case of each Replacement Airframe or Replacement Airframe and one or more Replacement Engines subjected to the Lien of this Indenture under this Section 7.05(a), promptly upon the recordation of the Indenture Supplement covering any such Replacement Airframe and Replacement Engines, if any, pursuant to the Transportation Code (or pursuant to the applicable law of such other jurisdiction in which such Replacement Airframe and Replacement Engines, if any, are registered), Company will cause to be delivered to Loan Trustee a favorable opinion of FAA counsel selected by Company if at the time of the Event of Loss the Aircraft was registered under the laws of the United States (or, if at the time of the Event of Loss the Aircraft was registered under the laws of another jurisdiction, counsel qualified to opine on matters of registration in such jurisdiction selected by Company, which counsel shall be reasonably satisfactory to Loan Trustee) addressed to Loan Trustee as to the due registration of such Replacement Aircraft and the due recordation of such Indenture Supplement or such other requisite documents or instruments, the registration with the International Registry of the sale of such Replacement Airframe and Replacement Engines, if any, to Company (if occurring after February 28, 2006 and if the seller of such Replacement Airframe and Replacement Engines, if any, is "situated in" a country that has ratified the Cape Town Convention) and of the International Interests created pursuant to the Indenture Supplement with respect to such Replacement Airframe and Replacement Engines, if any, and the validity and perfection of the security interest in the Replacement Aircraft granted to Loan Trustee under this Indenture.

For all purposes hereof, upon the attachment of the Lien of this Indenture thereto, the Replacement Aircraft and Replacement Engines, if any, shall become part of the Collateral, the Replacement Airframe shall be deemed an "Airframe" as defined herein, and each such Replacement Engine shall be deemed an "Engine" as defined herein. Upon compliance with clauses (A) through (H) of the third paragraph of this Section 7.05(a), Loan Trustee shall execute and deliver to Company instruments reasonably requested by Company releasing such replaced Airframe and Engines (if any) installed thereon at the time such Event of Loss occurred, all proceeds (including, without limitation, insurance proceeds), the Warranty Rights in respect of such replaced Airframe and Engines (if any) and all rights relating to the foregoing, from the Lien of this Indenture and assigning to Company all claims against third Persons for damage to or loss of the Airframe and Engines arising from the Event of Loss, and will take such actions as may be required to be taken by Loan Trustee to cancel or release any International Interest of Loan Trustee registered with the International Registry in relation to the replaced Airframe and replaced Engines, if any.

If, after an Event of Loss, Company performs the option set forth in clause (ii) of the first paragraph of this Section 7.05(a), Loan Trustee shall execute and deliver to Company instruments reasonably requested by Company releasing the Aircraft, all proceeds (including, without limitation, insurance proceeds), the Warranty Rights in respect of the Aircraft and all rights relating to the foregoing from the Lien of this Indenture and assigning to Company all claims against third Persons for damage to or loss of the Aircraft arising from the Event of Loss, and will take such actions as may be required to be taken by Loan Trustee to cancel or release any International Interest of Loan Trustee registered with the International Registry in relation to the Airframe and Engines, if any, with respect to which such Event of Loss occurred.

(b) Event of Loss with Respect to an Engine. As soon as practicable following the occurrence of an Event of Loss with respect to an Engine under circumstances in which there has not occurred an Event of Loss with respect to the Airframe, Company shall give Loan Trustee prompt written notice thereof and shall, within 120 days after the occurrence of such Event of Loss, cause to be subjected to the Lien of this Indenture, as replacement for the Engine with respect to which such Event of Loss occurred, a Replacement Engine free and clear of all Liens (other than Permitted Liens).

Prior to or at the time of any replacement under this Section 7.05(b), Company will (i) cause an Indenture Supplement covering such Replacement Engine to be delivered to Loan Trustee for execution and, upon such execution, to be filed for recordation pursuant to the Transportation Code or the applicable laws of any other jurisdiction in which the Aircraft is then registered, (ii) furnish Loan Trustee with a copy of the original bill of sale or, if the bill of sale is unavailable, other evidence of ownership in form reasonably satisfactory to Loan Trustee (which may be a copy of an invoice or purchase order) in respect of such Replacement Engine, which in the case of any such conveyance to which the Cape Town Convention is applicable shall be in such form as will qualify as "contract of sale" pursuant to Article V of the Aircraft Protocol, and all documents required under the Operative Documents to establish, continue, confirm, register and/or perfect the interests of Loan Trustee in such Replacement Engine, (iii) cause the sale of such Replacement Engine to Company (if occurring after February 28, 2006 and if the seller of such Replacement Engine is "situated in" a country that has ratified the Cape Town Convention) and the International Interest created pursuant to the Indenture Supplement in favor of Loan Trustee with respect to such Replacement Engine, each to be registered on the International Registry as a sale or an International Interest, respectively; provided that if the seller of such Replacement Engine is not situated in a country that has ratified the Cape Town Convention, Company will use its reasonable efforts to cause the seller to register the contract of sale on the International Registry, (iv) cause a financing statement or statements with respect to such Replacement Engine or other requisite documents or instruments to be filed in such place or places as necessary in order to perfect Loan Trustee's interest therein in the United States, or in such other jurisdiction in which the Engine is then registered, (v) furnish Loan Trustee with an opinion of Company's counsel (which may be internal counsel of Company) addressed to Loan Trustee to the effect that, upon such replacement, the Replacement Engine will be subject to the Lien of this Indenture, (vi) furnish Loan Trustee with a certificate of an aircraft engineer or appraiser (who may be an employee of Company) certifying that such Replacement Engine has a value and utility at least equal to (but in any event without regard to component modification status or the number of hours or cycles, in either case since new, since any particular overhaul or maintenance visit or remaining until any particular overhaul or maintenance visit) the Engine so replaced assuming such Engine was in the condition and repair required by the terms hereof immediately prior to the occurrence of such Event of Loss and (vii) furnish Loan Trustee with evidence of compliance with the insurance provisions of Section 7.06 with respect to such Replacement Engine. In the case of each Replacement Engine subjected to the Lien of this Indenture under this Section 7.05(b), promptly upon the recordation of the Indenture Supplement covering such Replacement Engine pursuant to the Transportation Code (or pursuant to the applicable law of such other jurisdiction in which the Aircraft is registered), Company will cause to be delivered to Loan Trustee an opinion of FAA counsel selected by Company if at the time of the Event of Loss the Aircraft was registered under the laws of the United States (or, if at the time of the Event of Loss the Aircraft was registered under the laws of another jurisdiction, counsel qualified to opine on matters of registration in such jurisdiction selected by Company, which counsel shall be reasonably satisfactory to Loan Trustee) addressed to Loan Trustee as to the due recordation of such Indenture Supplement or such other requisite documents or instruments, the registration with the International Registry of the sale of such Replacement Engine to Company (if occurring after February 28, 2006 and if the seller of such Replacement Engine is "situated in" a country that has ratified the Cape Town Convention) and of the International Interest created pursuant to the Indenture Supplement with respect to such Replacement Engine and the validity and perfection of the security interest in the Replacement Engine granted to Loan Trustee under this Indenture. For all purposes hereof, upon the attachment of the Lien of this Indenture thereto, the Replacement Engine shall become part of the Collateral and shall be deemed an "Engine" as defined herein. Upon compliance with clauses (i) through (vii) of the first sentence of this paragraph, Loan Trustee shall execute and deliver to Company instruments reasonably requested by Company releasing such replaced Engine, any proceeds (including, without limitation, insurance proceeds), the Warranty Rights in respect of such replaced Engine and all rights relating to any of the foregoing from the Lien of this Indenture and assigning to Company all claims against third Persons for damage to or loss of such Engine arising from the Event of Loss, and will take such actions as may be required to be taken by Loan Trustee to cancel or release any International Interest of Loan Trustee registered with the International Registry in relation to the Engines with respect to which such Event of Loss occurred.

(c) Application of Payments for Event of Loss from Requisition of Title or Use. Any payments other than insurance proceeds (the application of which is provided for in Section 7.06) received at any time by Company or by Loan Trustee from any government or other Person with respect to an Event of Loss to the Airframe or any Engine, will be applied as follows:

(i) if such payments are received with respect to the Airframe or the Airframe and any Engines installed on the Airframe that has been or is being replaced by Company pursuant to Section 7.05(a), such payments shall be paid over to, or retained by, Loan Trustee and upon completion of such replacement shall be paid over to, or retained by, Company;

(ii) if such payments are received with respect to the Airframe or the Airframe and any Engines installed on the Airframe that has not been and will not be replaced pursuant to Section 7.05(a), so much of such payments remaining after reimbursement of Loan Trustee for its actual and reasonable out-of-pocket costs and expenses that shall not exceed the amounts required to be paid by Company to Noteholders pursuant to Section 2.10 shall be applied in reduction of Company's obligation to pay such amounts, if not already paid by Company, or, if already paid by Company, shall be applied to reimburse Company for its payment of such amount and the balance, if any, of such payment remaining thereafter will be paid over to, or retained by, Company; and

(iii) if such payments are received with respect to an Engine with regard to which an Event of Loss has occurred, so much of such payments remaining after reimbursement of Loan Trustee for its actual and reasonable out-of-pocket costs and expenses shall be paid over to, or retained by, Company; provided that Company has fully performed its obligations under Section 7.05(b) with respect to the Event of Loss for which such payments are made.

(d) Requisition for Use by the Government of the Airframe and the Engines Installed Thereon. In the event of the requisition for use or hire by any government (it being acknowledged that the use of the Airframe or any Engine pursuant to the CRAF Program does not constitute such a requisition or hire) of the Airframe and the Engines or engines installed on the Airframe that does not constitute an Event of Loss, all of Company's rights and obligations under this Indenture with respect to the Airframe and such Engines shall continue to the same extent as if such requisition or hire had not occurred; provided that, notwithstanding the foregoing, Company's obligations other than payment obligations shall only continue to the extent feasible. All payments received by Company or Loan Trustee from such government for such requisition of the Airframe and Engines or engines shall be paid over to, or retained by, Company.

(e) Requisition for Use by the Government of an Engine not Installed on the Airframe. If any government requisitions the use or hire (it being acknowledged that the use of the Airframe or any Engine pursuant to the CRAF Program does not constitute such a requisition), for a period in excess of sixty (60) days, of any Engine not then installed on the Airframe, Company will replace such Engine by complying with the terms of Section 7.05(b) to the same extent as if an Event of Loss had occurred with respect to such Engine on the sixty-first day after such requisition. Upon such replacement, any payments received by Company or Loan Trustee from such government with respect to such requisition shall be paid over to, or retained by, Company.

(f) Application of Payments During Existence of Event of Default. Any amount referred to in Section 7.05 that is payable to or retainable by Company shall not be paid to or retained by Company if at the time of such payment or retention an Event of Default or Payment Default has occurred and is continuing, but shall be held by or paid over to Loan Trustee as security for the obligations of Company under this Indenture and the Participation Agreement. When any such Event of Default or Payment Default ceases, such amount shall be paid to Company.

Section 7.06 Insurance.

(a) Aircraft Liability Insurance.

(i) Except as provided in clause (ii) of this Section 7.06(a), and subject to the rights of Company to establish and maintain self-insurance in the manner and to the extent specified in Section 7.06(d), Company will carry, or cause to be carried, at no expense to Loan Trustee, aircraft liability insurance (including, but not limited to, contractual, bodily injury, personal injury, property damage, and products liability (exclusive of manufacturer's product liability insurance and war risk, hijacking and allied perils insurance)) with respect to the Aircraft that is of the type as from time to time applicable to aircraft operated by Company (or, if a Lease in respect of the Aircraft is then in effect, by Permitted Lessee) of the same type as the Aircraft (A) in amounts that are not less than the aircraft liability insurance applicable to similar aircraft and engines in Company's (or Permitted Lessee's) fleet on which Company (or Permitted Lessee) carries insurance and operated by Company (or Permitted Lessee) on the same or similar routes as operated by the Aircraft; provided that such liability insurance shall not be less than the amount (the "Minimum Insurance Amount") certified in the insurance report delivered to Loan Trustee and the Liquidity Provider on the Closing Date, and (B) that is maintained in effect with insurers of recognized responsibility. Any policies of insurance carried in accordance with this Section 7.06(a) and any policies taken out in substitution or replacement for any of such policies shall: (1) name Loan Trustee, Subordination Agent, each Pass Through Trustee and the Liquidity Provider as their Interests (defined below in this Section 7.06) may appear, as additional insureds (the "Additional Insureds"), (2) subject to the conditions of clause (3) below, provide that, in respect of the interest of each Additional Insured in such policies, the insurance shall not be invalidated by any action or inaction of Company, any Permitted Lessee, or any other insured (other than such Additional Insured) and shall insure each Additional Insured's Interests as they appear, regardless of any breach or violation of any warranty, declaration or condition contained in such policies by Company, any Permitted Lessee or any other insured (other than such Additional Insured), (3) provide that, if such insurance is canceled for any reason, or if any change is made in the insurance that materially reduces the amount of insurance or the coverage certified in the insurance report delivered on the Closing Date to Loan Trustee and the Liquidity Provider, or if such insurance is canceled for nonpayment of premium, such cancellation or change shall not be effective as to any Additional Insured for 30 days after issuance to such Additional Insured of written notice from or on behalf of such insurers of such cancellation or change, (4) provide that the Additional Insureds shall have no obligation or liability for premiums, commissions, assessments or calls in connection with such insurance, (5) provide that the insurers shall waive any rights of (x) set-off, counterclaim or any other deduction, whether by attachment or otherwise, in respect of any liability of the Additional Insureds to the extent of any monies due to the Additional Insureds and (y) subrogation against the Additional Insureds to the extent that Company has waived its rights by its agreements to indemnify the Additional Insureds pursuant to the Operative Documents, (6) be primary without right of contribution from any other insurance carried by any Additional Insured with respect to its Interests as such in the Aircraft and (7) expressly provide that all of the provisions thereof, except the limits of liability, shall operate in the same manner as if there were a separate policy covering each insured. "Interests" as used in this Section 7.06(a), in Section 7.06(b), and in Section 7.06(c) with respect to any Person means the interests of such Person in the transactions contemplated by the Operative Documents.

(ii) During any period that the Airframe or an Engine, as the case may be, is on the ground and not being flown, Company may carry or cause to be carried as to such non-flown Airframe or Engine, in lieu of the insurance required by clause (i) above, and subject to self-insurance to the extent permitted by Section 7.06(d) below, insurance otherwise conforming with the provisions of said clause (i) except that: (A) the amounts of coverage shall not be required to exceed the amounts of aircraft liability insurance from time to time applicable to airframes or engines owned or leased by Company (or, if a Lease is then in effect, by the Permitted Lessee) of the same type as such non-flown Airframe or Engine and that are on the ground and not being flown and (B) the scope of the risks covered and the type of insurance shall be the same as from time to time are applicable to airframes or engines owned or leased by Company (or, if a Lease is then in effect, by the Permitted Lessee) of the same type as such non-flown Airframe or Engine and that are on the ground and not being flown.

(b) War Risk, Hijacking and Allied Perils Liability Insurance. If the Aircraft, the Airframe or any Engine is being operated in any war zone or area of recognized or, in Company's (or Permitted Lessee's) judgment, threatened hostilities, then Company shall maintain or cause to be maintained war risk, hijacking and allied perils liability insurance (x) in an amount that is not less than the aircraft liability insurance applicable to similar aircraft and engines in Company's fleet on which Company carries insurance and operated by Company (or, if a Lease is then in effect, in the Permitted Lessee's fleet on which such Permitted Lessee carries insurance and operated by such Permitted Lessee) on the same or similar routes as the Aircraft, the Airframe or such Engine; provided that such liability insurance shall not be less than the Minimum Insurance Amount, (y) that is maintained in effect with insurers of recognized responsibility, and (z) which shall cover the perils set forth in the insurance policies maintained in connection with the CRAF Program (as such insurance policies maintained in connection with the CRAF Program may be amended from time to time). Except with respect to any war risk, hijacking or allied perils liability insurance maintained on any aircraft operated by Company in connection with the CRAF Program (or, if a Lease is then in effect, by the Permitted Lessee), if war risk, hijacking or allied perils liability insurance is maintained by Company (or if a Lease is then in effect, by the Permitted Lessee) with respect to any aircraft owned or operated by Company (or such Permitted Lessee, as the case may be) of the same or similar type operated by Company (or such Permitted Lessee, as the case may be) on the same or similar routes as operated by the Aircraft, the Airframe or an Engine, then Company shall maintain or cause to be maintained with respect to the Aircraft war risk, hijacking and allied perils liability insurance in scope and coverage no less comprehensive, in an amount not less than the insurance maintained by Company (or such Permitted Lessee, as the case may be) with respect to such other aircraft, and with insurers of recognized responsibility. Any policies of insurance carried in accordance with this Section 7.06(b) and any policies taken out in substitution or replacement for any of such policies shall: (1) name Loan Trustee, Subordination Agent, each Pass Through Trustee and the Liquidity Provider as their Interests may appear, as Additional Insureds, (2) subject to the conditions of clause (3) below (other than the exception set forth therein), provide that, in respect of the interest of each Additional Insured in such policies, the insurance shall not be invalidated by any action or inaction of Company, any Permitted Lessee, or any other insured (other than such Additional Insured) and shall insure each Additional Insured's Interests as they appear, regardless of any breach or violation of any warranty, declaration or condition contained in such policies by Company, any Permitted Lessee, or any other insured (other than such Additional Insured), (3) provide that, except to the extent not provided for by Company's war risk, hijacking, and allied perils insurance provider, if such insurance is canceled for any reason, or if any change is made in the insurance that materially reduces the amount of insurance or the coverage certified in the insurance report delivered on or prior to the Closing Date to Loan Trustee and the Liquidity Provider, or if such insurance is canceled for nonpayment of premium, such cancellation or change shall not be effective as to any Additional Insured for seven days (or such other period as is then generally available in the industry) after issuance to such Additional Insured of written notice from or on behalf of such insurers of such cancellation or change, (4) provide that the Additional Insureds shall have no obligation or liability for premiums, commissions, assessments or calls in connection with such insurance, (5) provide that the insurers shall waive any rights of (x) set-off, counterclaim or any other deduction, whether by attachment or otherwise, in respect of any liability of the Additional Insureds to the extent of any monies due to the Additional Insureds and (y) subrogation against the Additional Insureds to the extent that Company has waived its rights by its agreements to indemnify the Additional Insureds pursuant to the Operative Documents, (6) be primary without right of contribution from any other insurance carried by any Additional Insured with respect to its Interests as such in the Aircraft and (7) expressly provide that all of the provisions thereof, except the limits of liability, shall operate in the same manner as if there were a separate policy covering each insured. To the extent that Company's war risk, hijacking and allied perils insurance provider does not provide for provision of direct notice to Additional Insureds of cancellation or change in the insurance required hereunder, Company hereby agrees that, upon receipt of notice of any thereof from such insurance provider, it shall give the Additional Insureds immediate notice of each cancellation or change to such insurance.

(c) Insurance Against Loss or Damage to Aircraft.

(i) Except as provided in clause (ii) of this Section 7.06(c), and subject to the rights of Company to establish and maintain self-insurance in the manner and to the extent specified in Section 7.06(d) below, Company shall maintain, or cause to be maintained, in effect with insurers of recognized responsibility, at no expense to Loan Trustee, all-risk aircraft hull insurance covering the Aircraft and all-risk coverage with respect to any Engines or Parts while removed from the Aircraft (including, but not limited to, war risk, hijacking and allied perils insurance, if and to the extent the same is maintained by Company (or, if a Lease is then in effect, by the Permitted Lessee) with respect to other similar aircraft operated by Company or such Permitted Lessee, as the case may be, on the same or similar routes) that is of the type as from time to time applicable to aircraft operated by Company (or, if a Lease is then in effect, by the Permitted Lessee) of the same type as the Aircraft; provided that (A) such insurance (including the permitted self-insurance) shall at all times while the Aircraft is subject to this Indenture be for an amount not less than 110% of the aggregate principal amount of the Equipment Notes outstanding from time to time, (B) such insurance need not cover an Engine while attached to an airframe not owned, leased or operated by Company, and (C) such insurance covering Engines and Parts removed from an Airframe or an airframe or (in the case of Parts) an Engine need be obtained only to the extent available at reasonable cost (as reasonably determined by Company (or Permitted Lessee)). Any policies carried in accordance with this Section 7.06(c) and any policies taken out in substitution or replacement for any such policies shall: (1) provide that any insurance proceeds up to an amount equal to the outstanding principal amount of the Equipment Notes, together with accrued but unpaid interest thereon, plus an amount equal to the interest that would accrue on the outstanding principal amount of the Equipment Notes at the Debt Rate in effect on the date of payment of such insurance proceeds to Loan Trustee (as provided for in this sentence) during the period commencing on the day following the date of such payment to Loan Trustee and ending on the Loss Payment Date (the sum of such three amounts being the "Loan Amount"), payable for any loss or damage constituting an Event of Loss with respect to the Aircraft and any insurance proceeds in excess of the Insurance Threshold up to an amount equal to the Loan Amount for any loss or damage to the Aircraft (or Engines) not constituting an Event of Loss with respect to the Aircraft (or Engines), shall be paid to Loan Trustee as long as this Indenture has not been discharged, and that all other amounts shall be paid to Company or its designee, unless the insurer has received notice that an Event of Default exists, in which case all insurance proceeds for any loss or damage to the Aircraft (or Engines) up to an amount equal to the Loan Amount shall be payable to Loan Trustee, (2) subject to the conditions of clause (3) below (other than the exception set forth therein), provide that, in respect of the interest of each Additional Insured in such policies, the insurance shall not be invalidated by any action or inaction of Company, any Permitted Lessee, or any other insured (other than such Additional Insured) and shall insure each Additional Insured's Interests as they appear, regardless of any breach or violation of any warranty, declaration or condition contained in such policies by Company, any Permitted Lessee or any other insured (other than such Additional Insured), (3) provide that, except to the extent not provided for by Company's (or any Permitted Lessee's) hull war risk, hijacking, and allied perils insurance provider, if such insurance is canceled for any reason, or if any change is made in the insurance that materially reduces the coverage (not including the amount) certified in the insurance report delivered on the Closing Date to Loan Trustee, and the Liquidity Provider, or if such insurance is canceled for nonpayment of premium, such cancellation or change shall not be effective as to the Additional Insureds for 30 days (seven days, or such other period as is then customary in the industry, in the case of war risk, hijacking, or allied perils coverage) after issuance to the Additional Insureds of written notice from or on behalf of such insurers of such cancellation or change, (4) provide that the Additional Insureds shall have no obligation or liability for premiums, commissions, assessments or calls in connection with such insurance, (5) provide that the insurers shall waive rights of (x) setoff, counterclaim or any other deduction, whether by attachment or otherwise, in respect of any liability of the Additional Insureds to the extent of any monies due to the Additional Insureds and (y) subrogation against the Additional Insureds to the extent Company has waived its rights by its agreement to indemnify the Additional Insureds pursuant to the Operative Documents and (6) include a 50/50 provisional claims settlement clause in the event that separate policies are maintained with respect to all-risk aircraft hull insurance and war risk, hijacking and allied perils hull insurance. To the extent that Company's war risk, hijacking, and allied perils insurance provider does not provide for provision of direct notice to Additional Insureds of cancellation or change in the insurance required hereunder, Company hereby agrees that upon receipt of notice of any thereof from such insurance provider it shall give the Additional Insureds immediate notice of each cancellation or change to such insurance.

(ii) During any period that the Airframe or an Engine, as the case may be, is on the ground and not being flown, Company (or Permitted Lessee) may carry or cause to be carried as to such non-flown Airframe or Engine, in lieu of the insurance required by clause (i) above, and subject to self-insurance to the extent permitted by Section 7.06(d) below, insurance otherwise conforming with the provisions of said clause (i) except that the scope of the risks covered and the type of insurance shall be the same as from time to time are applicable to airframes and engines owned or leased by Company (or, if a Lease is then in effect, by the Permitted Lessee) of the same type as such non-flown Airframe or Engine and that are on the ground and not being flown; provided that, subject to self-insurance to the extent permitted by Section 7.06(d) below, Company shall maintain or cause to be maintained insurance against risk of loss or damage to such non-flown Airframe or Engine in an amount at least equal to 110% of the aggregate outstanding principal amount of the Equipment Notes for the Aircraft or, with respect to a non-flown Engine, the replacement value of such Engine.

(d) Self-Insurance. Company may from time to time self-insure, by way of deductible, self-insured retention, premium adjustment or franchise or otherwise (including, with respect to insurance maintained pursuant to Sections 7.06(a), (b) or (c), insuring for a maximum amount that is less than the amounts set forth in Sections 7.06(a), (b) and (c) above), the risks required to be insured against pursuant to Sections 7.06(a), (b) and (c) above, but in no case shall the self-insurance with respect to all of the aircraft and engines in the combined fleet of Company and its Affiliates (including, without limitation, the Aircraft) exceed for any 12-month policy year 1.0% of the average aggregate insurable value (during the preceding policy year) of all aircraft (including, without limitation, the Aircraft) on which Company and its Affiliates carry insurance, unless an insurance broker of national standing certifies that the standard among other major United States express transportation companies is a higher level of self-insurance, in which case Company may self-insure the Aircraft to such higher level; provided that (1) any deductible per occurrence that, in the case of the Aircraft, is not in excess of the amount customarily allowed as a deductible in the industry or is required to facilitate claims handling or (2) any applicable mandatory minimum per aircraft (or if applicable per annum or other period) hull or liability insurance deductibles imposed by the aircraft hull or liability insurers shall be permitted in addition to the above-mentioned self-insurance.

(e) Indemnification by United States Government in Lieu of Insurance. Notwithstanding any provision of this Section 7.06 requiring insurance, in lieu of insurance against any risk with respect to the Aircraft, indemnification from, or insurance provided by, the United States government, or any agency or instrumentality thereof, against such risk in an amount which, when added to the amount of insurance maintained against such risk by Company (or, if a Lease is then in effect, by the Permitted Lessee), shall be at least equal to the amount of insurance against such risk otherwise required by this Section 7.06 (taking into account self-insurance permitted by Section 7.06(d)) shall be considered adequate insurance for purposes of this Section 7.06.

(f) Application of Insurance Payments. All losses will be adjusted by Company with the insurers. As between Loan Trustee and Company it is agreed that all insurance payments received under policies required to be maintained by Company hereunder, exclusive of any payments received in excess of the Loan Amount for the Aircraft from such policies, as the result of the occurrence of an Event of Loss with respect to the Airframe or an Engine will be applied as follows:

(i) if such payments are received with respect to the Airframe or the Airframe and any Engines installed on the Airframe that has been or is being replaced by Company pursuant to Section 7.05(a), such payments shall be paid over to, or retained by, Loan Trustee and upon completion of such replacement shall be paid over to, or retained by, Company;

(ii) if such payments are received with respect to the Airframe or the Airframe and any Engines installed on the Airframe that has not been and will not be replaced as contemplated by Section 7.05(a), so much of such payments remaining after reimbursement of Loan Trustee for its actual and reasonable out-of-pocket costs and expenses, as do not exceed the amounts required to be paid by Company pursuant to Section 2.10 shall be applied in reduction of Company's obligation to pay such amounts, if not already paid by Company, or, if already paid by Company, shall be applied to reimburse Company for its payment of such amounts, and the balance, if any, of such payment remaining thereafter will be paid over to, or retained by, Company; and

(iii) if such payments are received with respect to an Engine, so much of such payments remaining after reimbursement of Loan Trustee for its actual and reasonable out-of-pocket costs and expenses shall be paid over to, or retained by, Company; provided that Company has fully performed its obligations under Section 7.05(b) with respect to the Event of Loss for which such payments are made.

In all events, the insurance payment of any property damage or loss received under policies maintained by Company in excess of the Loan Amount for the Aircraft shall be paid to Company.

The insurance payments for any loss or damage to the Airframe or an Engine not constituting an Event of Loss with respect to the Airframe or such Engine will be applied in payment (or to reimburse Company) for repairs or for replacement property in accordance with the terms of Sections 7.02 and 7.04, and any balance remaining after compliance with such Sections with respect to such loss or damage shall be paid to Company. Any amount referred to in the preceding sentence or in clause (i) or (ii) of the first paragraph of this Section 7.06(f) that is payable to Company shall not be paid to Company (or, if it has been previously paid directly to Company, shall not be retained by Company) if at the time of such payment an Event of Default or Payment Default has occurred and is continuing, but shall be paid to and held by Loan Trustee as security for the obligations of Company under this Indenture and the other Operative Documents and shall be invested pursuant to Section 5.06 unless and until such amount is applied, at the option of Loan Trustee, to Company's obligations under this Indenture and the other Operative Documents as and when due, it being understood that any such application shall be made to such obligations of Company as Loan Trustee may determine in its sole discretion. Loan Trustee shall give Company prompt written notice of any such application, but the failure to so notify Company shall not in any way affect the rights of Loan Trustee hereunder. At such time as there shall be continuing no Event of Default or Payment Default, such amount shall be paid to Company to the extent not previously applied in accordance with this Section 7.06(f).

(g) Reports, Etc. On or before the Closing Date and annually following renewal of Company's insurance coverage, Company will furnish to Loan Trustee and the Liquidity Provider current certificates of insurance and a report signed by a firm of independent aircraft insurance brokers appointed by Company (which brokers may be in the regular employ of Company), stating the opinion of such firm that the commercial hull and liability insurance then carried and maintained on the Aircraft complies with the terms hereof. All information contained in such report shall be Confidential Information and shall be treated by Loan Trustee and the Liquidity Provider and each of their Affiliates and their respective officers, directors, agents and employees in accordance with the provisions of Section 10.16. Company will use commercially reasonable efforts to cause such firm to notify Loan Trustee and the Liquidity Provider of any act or omission on the part of Company of which such firm has knowledge that might invalidate or render unenforceable, in whole or in part, any insurance on the Aircraft. Company will use commercially reasonable efforts to cause such firm to notify Loan Trustee and the Liquidity Provider as promptly as practicable after such firm acquires knowledge that a cancellation of any insurance carried and maintained on the Aircraft pursuant to this Section 7.06 will occur. Such information may only be provided to other Persons in accordance with Section 10.16.

In the event that Company shall fail to maintain or to cause to be maintained insurance as herein provided, Loan Trustee may at its option obtain such insurance (giving Company prompt written notice thereof, but the failure to so notify Company shall not in any way affect the rights of Loan Trustee hereunder) and, in such event, Company shall, upon demand, reimburse Loan Trustee for the cost to Loan Trustee of such insurance, together with interest thereon at the Past Due Rate for the period commencing with the date such cost was paid to the date of reimbursement; provided, however, that no exercise by Loan Trustee of said option shall affect the provisions of this Indenture, including the provisions that failure by Company to maintain the prescribed insurance shall constitute an Event of Default.

(h) Salvage Rights; Other. All salvage rights to the Airframe and each Engine shall remain with Company's insurers at all times, and any insurance policies of Loan Trustee insuring the Airframe or any Engine shall provide for a release to Company of any and all salvage rights in and to the Airframe or any Engine except if such insurance policies of Loan Trustee are obtained pursuant to the last paragraph of Section 7.06(g). Neither Loan Trustee nor any Noteholder may, directly or indirectly, obtain insurance for its own account with respect to the Airframe or any Engine if such insurance would limit or otherwise adversely affect the coverage or amounts payable under, or increase the premiums for, any insurance required to be maintained pursuant to this Section 7.06 or any other insurance maintained with respect to the Aircraft or any other aircraft in Company's (or Permitted Lessee's) fleet.

ARTICLE VIII

Successor and Additional Trustees

Section 8.01 Resignation or Removal; Appointment of Successor.

(a) The resignation or removal of Loan Trustee and the appointment of a successor Loan Trustee shall become effective only upon the successor Loan Trustee's acceptance of appointment as provided in this Section 8.01. Loan Trustee or any successor thereto must resign if at any time it ceases to be eligible in accordance with the provisions of Section 8.01(c) and may resign at any time without cause by giving at least 60 days' prior written notice to Company and each Noteholder. In addition, either Company (so long as no Event of Default or Payment Default shall have occurred and be continuing) or a Majority in Interest of Noteholders (but only with the consent of Company so long as no Event of Default or Payment Default shall have occurred and be continuing), may at any time remove Loan Trustee without cause by an instrument in writing delivered to Loan Trustee and each Noteholder, and, in case of a removal by a Majority in Interest of Noteholders, to Company. In the case of the resignation or removal of Loan Trustee, Company shall promptly appoint a successor Loan Trustee. If a successor Loan Trustee has not been appointed within 60 days after such notice of resignation or removal, Loan Trustee, Company or any Noteholder may apply to any court of competent jurisdiction to appoint a successor Loan Trustee to act until such time, if any, as a successor is appointed as above provided. The successor Loan Trustee so appointed by such court shall immediately and without further act be superseded by any successor Loan Trustee appointed as above provided.

(b) Any successor Loan Trustee, however appointed, shall execute and deliver to the predecessor Loan Trustee and Company an instrument accepting such appointment and assuming the obligations of Loan Trustee arising from and after the time of such appointment, and thereupon such successor Loan Trustee, without further act, shall become vested with all the estates, properties, rights, powers and duties of the predecessor Loan Trustee in the trust hereunder applicable to it with like effect as if originally named Loan Trustee herein; but nevertheless upon the written request of such successor Loan Trustee, such predecessor Loan Trustee shall execute and deliver an instrument transferring to such successor Loan Trustee all the estates, properties, rights and powers of such predecessor Loan Trustee, and such predecessor Loan Trustee shall duly assign, transfer, deliver and pay over to such successor Loan Trustee all monies or other property and all other books and records, or true, correct and complete copies thereof, then held by such predecessor Loan Trustee.

(c) This Indenture shall at all times have a Loan Trustee, however appointed, that is a Citizen of the United States (without the use of a voting trust) and a bank or trust company having a combined capital and surplus of at least $100,000,000 (or a combined capital and surplus in excess of $5,000,000 and 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 or any state or territory thereof or the District of Columbia and having a combined capital and surplus of at least $100,000,000) or a corporation with a net worth of at least $100,000,000, if there be such an institution willing, able and legally qualified to perform the duties of Loan Trustee upon reasonable or customary terms. If such bank, trust company or corporation publishes reports of conditions at least annually, pursuant to law or to the requirements of federal, state, territorial or District of Columbia supervising or examining authority, then for the purposes of this Section 8.01(c) the combined capital and surplus of such bank, trust company or corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of conditions so published. In case at any time Loan Trustee ceases to be eligible in accordance with the provisions of this Section 8.01(c), Loan Trustee shall resign immediately in the manner and with the effect specified in Section 8.01(a).

(d) Any bank, trust company or corporation into which Loan Trustee may be merged or converted or with which it may be consolidated, or any bank, trust company or corporation resulting from any merger, conversion or consolidation to which Loan Trustee is a party, or any bank, trust company or corporation to which substantially all the corporate trust business of Loan Trustee may be transferred, shall, subject to the terms of Section 8.01(c), be a successor Loan Trustee under this Indenture without further act.

Section 8.02 Appointment of Additional and Separate Trustees.

(a) Whenever (i) Company or Loan Trustee deems it necessary or desirable in order to conform to any law of any jurisdiction in which all or any part of the Collateral is situated or to make any claim or bring any suit with respect to or in connection with the Collateral, any Operative Document or any of the transactions contemplated by the Operative Documents, (ii) Loan Trustee shall be advised by counsel satisfactory to it that it is necessary or prudent in the interests of Noteholders (and Loan Trustee shall so advise Company) or (iii) Loan Trustee has been requested to do so by a Majority in Interest of Noteholders, then in any such case, Loan Trustee and, upon the written request of Loan Trustee, Company, shall execute and deliver an indenture supplemental hereto and such other, instruments as from time to time are necessary or advisable either (1) to constitute one or more banks or trust companies or corporations meeting the requirements of Section 8.01(c) and approved by Loan Trustee, either to act jointly with Loan Trustee 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 Indenture as is provided in such supplemental indenture or other instruments as Loan Trustee or a Majority in Interest of Noteholders deems 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 8.02. If no Event of Default has occurred and is continuing, no additional or supplemental trustee shall be appointed without Company's consent. If an Event of Default shall have occurred and be continuing, Loan Trustee may act under the foregoing provisions of this Section 8.02(a) without the concurrence of Company, and, to the extent permitted by applicable law, Company hereby irrevocably appoints (which appointment is coupled with an interest) Loan Trustee as its agent and attorney-in-fact to act for it under the foregoing provisions of this Section 8.02(a). Loan Trustee 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, subject in each case to the remaining provisions of this Section 8.02. In case any additional or separate trustee appointed under this Section 8.02(a) becomes incapable of acting, resigns or is removed, all the assets, property, rights, powers, trusts, duties and obligations of such additional or separate trustee shall revert to Loan Trustee until a successor additional or separate trustee is appointed as provided in this Section 8.02(a).

(b) No additional or separate trustee shall be entitled to exercise any of the rights, powers, duties and obligations conferred upon Loan Trustee 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 Documents to Loan Trustee shall be promptly paid over by it to Loan Trustee. All other rights, powers, duties and obligations conferred or imposed upon any additional or separate trustee shall be exercised or performed by Loan Trustee 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 Loan Trustee 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 Loan Trustee or a Majority in Interest of Noteholders. No trustee hereunder shall be personally liable by reason of any act or omission of any other trustee hereunder, except that Loan Trustee shall be liable for the consequences of its lack of reasonable care in selecting, and Loan Trustee's own actions in acting with, any additional or separate trustee. Each additional or separate trustee appointed pursuant to this Section 8.02 shall be subject to, and shall have the benefit of Articles IV, V, VI, VIII, IX and X insofar as they apply to Loan Trustee. The powers of any additional or separate trustee appointed pursuant to this Section 8.02 shall not in any case exceed those of Loan Trustee.

(c) If at any time Loan Trustee deems it no longer necessary or desirable or in the event that Loan Trustee has been requested to do so in writing by a Majority in Interest of Noteholders, Loan Trustee and, upon the written request of Loan Trustee, Company, shall execute and deliver an indenture supplemental hereto and all other instruments and agreements necessary or proper to remove any additional or separate trustee. Loan Trustee may act on behalf of Company under this Section 8.02(c) when and to the extent it could so act under Section 8.02(a). In any case, Company may remove an additional or separate trustee in the manner set forth in Section 8.01.

ARTICLE IX

Amendments and Waivers

Section 9.01 Amendments to this Indenture without Consent of Holders. At any time after the date hereof, Company may and Loan Trustee shall, at Company's request, enter into one or more agreements supplemental hereto and amend the Equipment Notes without notice to or consent of any Noteholder, Indenture Indemnitee or Related Indenture Indemnitee for any of the following purposes: (i) to evidence the succession of another Person to Company and the assumption by any such successor of the covenants of Company contained in any Operative Documents pursuant to Section 6.02(e) of the Participation Agreement; (ii) 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 Noteholder, any Indenture Indemnitee or any Related Indenture Indemnitee in its capacity solely as Noteholder, Indenture Indemnitee or Related Indenture Indemnitee, as the case may be); (iii) to cure any ambiguity or correct any mistake; (iv) to evidence the succession of a new trustee hereunder pursuant hereto or the removal of the trustee hereunder or to provide for or facilitate the appointment of an additional or separate trustee pursuant to Section 8.02; (v) to convey, transfer, assign, mortgage or pledge any property to or with Loan Trustee; (vi) to make any other provisions or amendments with respect to matters or questions arising hereunder or under the Equipment Notes, or to amend, modify or supplement any provision hereof or thereof, so long as such action shall not adversely affect the interests of any Noteholder, any Indenture Indemnitee or any Related Indenture Indemnitee in its capacity solely as Noteholder, Indenture Indemnitee or Related Indenture Indemnitee, as the case may be; (vii) to correct, supplement or amplify the description of any property at any time subject to the Lien of this Indenture, or better to assure, convey and confirm unto Loan Trustee any property subject or required to be subject to the Lien of this Indenture or to subject to the Lien of this Indenture the Airframe or Engines or any Substitute Airframe, Replacement Airframe or Replacement Engine; (viii) to add to the covenants of Company for the benefit of Noteholders, Indenture Indemnitees or Related Indenture Indemnitees or to surrender any rights or power herein conferred upon Company; (ix) to add to the rights of Noteholders, Indenture Indemnitees or Related Indenture Indemnitees; (x) to include on the Equipment Notes any legend as may be required by law or as otherwise necessary or advisable; (xi) to comply with any applicable requirements of the Trust Indenture Act, or any other requirements of applicable law or of any regulatory body; (xii) to give effect to the replacement of the Liquidity Provider with a Replacement Liquidity Provider and the replacement of the Liquidity Facility with a Replacement Liquidity Facility therefor, and, if a Replacement Liquidity Facility is to be comprised of more than one instrument as contemplated by the definition of the term "Replacement Liquidity Facility" in the Intercreditor Agreement, to incorporate appropriate mechanics for multiple instruments for such Replacement Liquidity Facility for a single Pass Through Trust (including, without limitation, amendments to Section 2.14 with respect to the Replacement Liquidity Provider of such Replacement Liquidity Facility); (xiii) to provide for the original issuance of Additional Series Equipment Notes of one or more Series (and Related Additional Series Equipment Notes relating thereto) pursuant to clause (i) of the third sentence of Section 2.02 or the issuance of new Additional Series Equipment Notes of any one or more Series (and new Related Additional Series Equipment Notes relating thereto) pursuant to clause (ii) or (iii), as the case may be, of the third sentence of Section 2.02, and for the issuance of pass through certificates by any pass through trust that acquires any such Additional Series Equipment Notes (and Related Additional Series Equipment Notes), or new Additional Series Equipment Notes (and new Related Additional Series Equipment Notes) and to make changes relating to any of the foregoing (including, without limitation, to provide for any prefunding mechanism in connection therewith or to provide for the priority in payment among different Series of Additional Series Equipment Notes) and to provide for any credit support for any pass through certificates relating to any such Additional Series Equipment Notes (and Related Additional Series Equipment Notes), new Additional Series Equipment Notes (and new Related Additional Series Equipment Notes) (including, without limitation, to secure claims for fees, interest, expenses, reimbursement of advances and other obligations arising from such credit support (including, without limitation, to specify such credit support as a "Liquidity Facility" and the provider of any such credit support as a "Liquidity Provider" and, if such Liquidity Facility is to be comprised of more than one instrument, to incorporate appropriate mechanics for multiple Liquidity Facilities for a single Pass Through Trust)); provided that any such Additional Series Equipment Notes or new Additional Series Equipment Notes, as the case may be, are issued in accordance with Section 2.02 of the Participation Agreement and Section 8.01(c) or 8.01(d) of the Intercreditor Agreement, as applicable; and (xiv) to provide for the issuance of "Additional Series Equipment Notes" of one or more series new "Additional Series Equipment Notes" in each case under any or all Related Indentures and other matters incidental or relating thereto.

Section 9.02 Amendments to this Indenture with Consent of Holders.

(a) With the written consent of a Majority in Interest of Noteholders, Company may, and Loan Trustee shall, subject to Section 9.06, at any time and from time to time, enter into such supplemental agreements to add any provisions to or to change or eliminate any provisions of this Indenture or of any such supplemental agreements or to modify in any manner the rights and obligations of Company, Loan Trustee and Noteholders under this Indenture; provided that, without the consent of each Noteholder affected thereby, an amendment under this Section 9.02 may not:

(1) reduce the principal amount of, Make-Whole Amount, if any, or interest on, any Equipment Note;

(2) change the date on which any principal amount of, Make-Whole Amount, if any, or interest on any Equipment Note, is due or payable;

(3) create any Lien with respect to the Collateral prior to or *pari passu* with the Lien thereon under this Indenture except such as are permitted by this Indenture, or deprive any Noteholder of the benefit of the Lien on the Collateral created by this Indenture, except as provided in connection with the exercise of remedies under Article IV; provided that, without the consent of each holder of an affected Related Equipment Note then outstanding, no such amendment, waiver or modification of terms of, or consent under, any thereof shall modify Section 3.03 or this clause (3) or deprive any Related Noteholder of the benefit of the Lien of this Indenture on the Collateral, except as provided in connection with the exercise of remedies under Article IV;

(4) reduce the percentage of the outstanding principal amount of the Equipment Notes the consent of whose holders is required for any such supplemental agreement, or the consent of whose holders is required for any waiver of compliance with certain provisions of this Indenture or of certain defaults hereunder or their consequences provided for in this Indenture; or

(5) make any change in Section 4.05 or this Section 9.02, except to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of each Noteholder affected thereby.

Notwithstanding the foregoing, neither Company nor Loan Trustee shall enter into any amendment, waiver or modification of, or supplement or consent to, this Indenture or any other Operative Document other than the Participation Agreement (which is addressed in Section 9.03) which shall reduce, modify or amend any indemnities in favor of the Liquidity Provider without the consent of the Liquidity Provider.

(b) It is not necessary under this Section 9.02 for Noteholders to consent to the particular form of any proposed supplemental agreement, but it is sufficient if they consent to the substance thereof.

(c) Promptly after the execution by Company and Loan Trustee of any supplemental agreement pursuant to the provisions of this Section 9.02, Loan Trustee shall transmit by first-class mail or by hand delivery a notice, setting forth in general terms the substance of such supplemental agreement, to all Noteholders, as the names and addresses of such Noteholders appear on the Equipment Note Register. Any failure of Loan Trustee to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such supplemental agreement.

Section 9.03 Amendments, Waivers, Etc. of the Participation Agreement or Parent Guarantee. Without the consent of a Majority in Interest of Noteholders, the respective parties to the Participation Agreement or Parent Guarantee, as applicable, may not modify, amend or supplement such agreement, or give any consent, waiver, authorization or approval thereunder, for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions thereof or of modifying in any manner the rights of the respective parties thereunder; provided that, without the consent of Loan Trustee, any Noteholder, any other Indenture Indemnitee or any Related Indenture Indemnitee, the Participation Agreement or Parent Guarantee, as applicable, may be modified, amended or supplemented in order (i) to cure any defect or inconsistency therein or to cure any ambiguity or correct any mistake, (ii) to amend, modify or supplement any provision thereof or make any other provision with respect to matters or questions arising thereunder or under this Indenture (provided that the making of any such other provision shall not materially adversely affect the interests of Noteholders) or (iii) to make any other change, or reflect any other matter, of the kind referred to in clauses (i) through (xiv) of Section 9.01. Notwithstanding the foregoing, without the consent of the Liquidity Provider, Company shall not enter into any amendment, waiver or modification of or supplement or consent to the Participation Agreement or Parent Guarantee, as applicable, which shall reduce, modify or amend any indemnities in favor of the Liquidity Provider contained therein.

Section 9.04 Revocation and Effect of Consents. Until an amendment or waiver becomes effective, a consent to it by a Noteholder is a continuing consent by Noteholder and every subsequent Noteholder, even if notation of the consent is not made on any Equipment Note.

Section 9.05 Notation on or Exchange of Equipment Notes. Loan Trustee may place an appropriate notation about an amendment or waiver on any Equipment Note thereafter executed. Loan Trustee in exchange for such Equipment Notes may execute new Equipment Notes that reflect the amendment or waiver.

Section 9.06 Trustee Protected. If, in the reasonable opinion of the institution acting as Loan Trustee, any document required to be executed by it pursuant to the terms of Section 9.01 or 9.02 adversely affects any right, duty, immunity or indemnity with respect to such institution under this Indenture, such institution may in its discretion decline to execute such document.

Section 9.07 No Consent of Individual Indenture Indemnitees Required. Notwithstanding anything in this Indenture or any other Operative Document to the contrary, when any provision hereof or thereof would otherwise require a consent of an Indenture Indemnitee, such provision shall always be construed to require only the consent of an Indenture Indemnitee other than any Indenture Indemnitee covered by clause (vii) of the definition of "Indenture Indemnitees".

ARTICLE X

Miscellaneous

Section 10.01 Termination of Indenture. Subject to Sections 7.04 and 7.05, upon (or at any time after) payment in full of the principal amount of, Make-Whole Amount, if any, and interest on and all other amounts then due under all Equipment Notes and provided that there shall then be (x) no other Secured Obligations due and unpaid to Noteholders, Loan Trustee and other Indenture Indemnitees hereunder, under the Participation Agreement or any other Operative Document, and (y) no Related Secured Obligations due and unpaid under any Related Indenture or any other "Operative Document" (as defined in any Related Indenture), Company shall direct Loan Trustee to execute and deliver to or as directed in writing by Company an appropriate instrument releasing the Aircraft and the Engines and (subject to paragraph (vii) of clause "third" of Section 3.03, if applicable) all other Collateral from the Lien of this Indenture and Loan Trustee shall execute and deliver such instrument as aforesaid; provided that this Indenture and the trusts created hereby shall earlier terminate and this Indenture shall be of no further force or effect upon any sale or other final disposition by Loan Trustee of all property constituting part of the Collateral and the final distribution by Loan Trustee 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 Indenture and the trusts created hereby shall continue in full force and effect in accordance with the terms hereof.

Section 10.02 No Legal Title to Collateral in Noteholders. No holder of an Equipment Note or a Related Equipment Note shall have legal title to any part of the Collateral. No transfer, by operation of law or otherwise, of any Equipment Note, Related Equipment Note or other right, title and interest of any Noteholder or Related Noteholder in and to the Collateral or hereunder shall operate to terminate this 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 10.03 Sale of Aircraft by Loan Trustee is Binding. Any sale or other conveyance of the Aircraft, the Airframe, any Engine or any interest therein by Loan Trustee made pursuant to the terms of this Indenture shall bind Noteholders and Company and shall be effective to transfer or convey all right, title and interest of Loan Trustee, Company and such Noteholders in and to such Aircraft, Airframe, Engine or interest therein. 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 Loan Trustee or Noteholders.

Section 10.04 Indenture for Benefit of Company, Loan Trustee and Noteholders. Nothing in this Indenture, whether express or implied, shall be construed to give any Person other than Company, Noteholders, Loan Trustee, other Indenture Indemnitees, Related Loan Trustees and Related Indenture Indemnitees any legal or equitable right, remedy or claim under or in respect of this Indenture, except that the Persons referred to in the second to last full paragraph of Section 7.02(a) shall be third party beneficiaries of such paragraph.

Section 10.05 Notices. Unless otherwise expressly specified or permitted by the terms hereof, all notices, requests, demands, authorizations, directions, consents, waivers or documents required or permitted under the terms and provisions of this Indenture shall be in English and in writing, and any such notice may be given by United States mail, courier service, facsimile, and any such notice shall be effective when delivered (or, if mailed, three Business Days after deposit, postage prepaid, in the first class U.S. mail and, if delivered by facsimile, upon completion of transmission and confirmation by the sender (by a telephone call to a representative of the recipient or by machine confirmation) that such transmission was received) addressed as follows:

if to Company, addressed to:

Federal Express Corporation
3610 Hacks Cross Road
Memphis, TN 38125
Attn: General Counsel

With copies to:

FedEx Corporation
942 S. Shady Grove Road
Memphis, TN 38120
Attn: Treasurer

With a separate FedEx Corporation copy to: Corporate Vice President, Securities & Corporate Law

if to Loan Trustee, addressed to:

Wilmington Trust Company
1100 North Market Square
Wilmington, DE 19890-1605
Attention: Global Capital Market Services
Ref: FedEx 2020-1AA EETC
Telephone: [ ]
Telecopy: [ ]

if to any Noteholder, addressed to such Noteholder at its address set forth in the Equipment Note Register maintained pursuant to Section 2.07;

if to any Indenture Indemnitee other than Loan Trustee, addressed to the address of such party (if any) set forth in Section 7.01 of the Participation Agreement or to such other address as such Indenture Indemnitee shall have furnished by notice to Company and Loan Trustee; and

if to any Related Indenture Indemnitee, addressed to such Related Indenture Indemnitee at its address set forth in the Equipment Note Register (defined in the applicable Related Indenture) maintained pursuant to Section 2.07 of the applicable Related Indenture.

Any party, by notice to the other parties hereto, may designate different addresses for subsequent notices or communications. Whenever the words "notice" or "notify" or similar words are used herein, they mean the provision of formal notice as set forth in this Section 10.05.

Section 10.06 Severability. To the extent permitted by applicable law, any provision of this Indenture that 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 10.07 No Oral Modification or Continuing Waivers. No terms or provisions of this Indenture or of the Equipment Notes may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by Company and Loan Trustee, in compliance with Article IX. 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 10.08 Successors and Assigns. All covenants and agreements contained herein shall bind and inure to the benefit of, and be enforceable by, each of the parties hereto and the successors and permitted assigns of each, all as herein provided. Any request, notice, direction, consent, waiver or other instrument or action by any Noteholder shall bind the successors and permitted assigns of such Noteholder. Each Noteholder by its acceptance of an Equipment Note agrees to be bound by (i) this Indenture and all provisions of the Participation Agreement, the other Operative Documents and the Pass Through Documents applicable to a Noteholder and (ii) all provisions of each Related Indenture applicable to a Related Noteholder to the extent such Noteholder is such Related Noteholder.

Section 10.09 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 10.10 Normal Commercial Relations. Anything contained in this Indenture to the contrary notwithstanding, Loan Trustee, any Noteholder or any other party to any of the Operative Documents or the Pass Through Documents or any of their affiliates may conduct any banking or other financial transactions, and have banking or other commercial relationships, with Company, fully to the same extent as if this Indenture were not in effect, including without limitation the making of loans or other extensions of credit to Company for any purpose whatsoever, whether related to any of the transactions contemplated hereby or otherwise.

Section 10.11 Voting by Noteholders. All votes of Noteholders shall be governed by a vote of a Majority in Interest of Noteholders, except as otherwise provided herein.

Section 10.12 Section 1110. It is the intention of the parties hereto that the security interest created hereby, to the fullest extent available under applicable law, entitles Loan Trustee, on behalf of Noteholders, to all of the benefits of Section 1110 with respect to the Aircraft.

Section 10.13 Company's Performance and Rights. Any obligation imposed on Company herein shall require only that Company perform or cause to be performed such obligation, even if stated as a direct obligation, and the performance of any such obligation by any permitted assignee, lessee or transferee under an assignment, lease or transfer agreement then in effect and in accordance with the provisions of the Operative Documents shall constitute performance by Company and, to the extent of such performance, discharge such obligation by Company. Except as otherwise expressly provided herein, any right granted to Company in this Indenture shall grant Company the right to permit such right to be exercised by any such assignee, lessee or transferee, and, in the case of a lessee, as if the terms hereof were applicable to such lessee were such lessee Company hereunder. The inclusion of specific references to obligations or rights of any such assignee, lessee or transferee in certain provisions of this Indenture shall not in any way prevent or diminish the application of the provisions of the two sentences immediately preceding with respect to obligations or rights in respect of which specific reference to any such assignee, lessee or transferee has not been made in this Indenture.

Section 10.14 Counterparts. This Indenture may be executed in any number of counterparts (and each of the parties hereto shall not be required to execute the same counterpart). Each counterpart of this Indenture including a signature page or pages executed by each of the parties hereto shall be an original counterpart of this Indenture, but all of such counterparts together shall constitute one instrument.

Section 10.15 Governing Law. THIS INDENTURE HAS BEEN DELIVERED IN THE STATE OF NEW YORK AND THIS INDENTURE, ANY INDENTURE SUPPLEMENT AND THE EQUIPMENT NOTES SHALL 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 10.16 Confidential Information. The term "Confidential Information" means: (a) the existence and terms of any lease of the Airframe or Engines pursuant to Section 7.02(a) and the identity of the Permitted Lessee thereunder; (b) all information obtained in connection with any inspection conducted by Loan Trustee or its authorized representatives pursuant to Section 7.03(a); (c) each certification furnished to Loan Trustee or the Liquidity Provider pursuant to Sections 7.06(a) and 7.06(b); (d) all information contained in each report furnished to Loan Trustee or the Liquidity Provider pursuant to Section 7.06(g); and (e) all information regarding the Warranty Rights; and (f) all information designated by Company as non-public information. All Confidential Information shall be held confidential by Loan Trustee, the Liquidity Provider and each Noteholder and each affiliate, agent, officer, director, or employee of any thereof and shall not be furnished or disclosed by any of them to anyone other than (i) Loan Trustee or any Noteholder and (ii) their respective bank examiners, auditors, accountants, agents and legal counsel, and except as may be required by an order of any court or administrative agency or by any statute, rule, regulation or order of any governmental authority.

Section 10.17 Submission to Jurisdiction. Each of the parties hereto, and by acceptance of Equipment Notes, each Noteholder, to the extent it may do so under applicable law, for purposes hereof and of all other Operative Documents hereby (a) irrevocably submits itself to the non-exclusive jurisdiction of the courts of the State of New York sitting in the City of New York and to the non-exclusive jurisdiction of the United States District Court for the Southern District of New York, for the purposes of any suit, action or other proceeding arising out of this Indenture, the subject matter hereof or any of the transactions contemplated hereby brought by any party or parties hereto or thereto, or their successors or permitted assigns and (b) waives, and agrees not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, 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 this Indenture or the Equipment Notes or the subject matter hereof or any of the transactions contemplated hereby may not be enforced in or by such courts.

[Signature Pages Follow.]

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed by their respective officers thereof duly authorized, as of the date first above written.

FEDERAL EXPRESS CORPORATION

By: /s/ Elise L. Jordan
Name: Elise L. Jordan
Title: Executive VP and CFO

WILMINGTON TRUST COMPANY, not in its individual capacity, except as expressly provided herein, but solely as Loan Trustee

By: /s/ Adam R. Vogelsong
Name: Adam R. Vogelsong
Title: Vice President

Exhibit A
to Indenture and Security Agreement
(N869FD)

FORM OF INDENTURE SUPPLEMENT

INDENTURE SUPPLEMENT NO. _____

INDENTURE SUPPLEMENT NO. ____, dated _____ ____, 20__ ("Indenture Supplement"), between FEDERAL EXPRESS CORPORATION ("Company") and WILMINGTON TRUST COMPANY, not in its individual capacity but solely as Loan Trustee under the Indenture (each as hereinafter defined).

W I T N E S S E T H:

WHEREAS, the Indenture and Security Agreement (N869FD), dated as of August 13, 2020 (the "Indenture"; capitalized terms used herein without definition shall have the meanings specified therefor in Annex A to the Indenture), between Company and Wilmington Trust Company, not in its individual capacity, except as expressly provided therein, but solely as Loan Trustee ("Loan Trustee"), provides for the execution and delivery of supplements thereto substantially in the form hereof which shall particularly describe the Aircraft, and shall specifically grant a security interest in the Aircraft to Loan Trustee; and

[WHEREAS, the Indenture relates to the Airframe and Engines described in Annex A attached hereto and made a part hereof, and a counterpart of the Indenture is attached to and made a part of this Indenture Supplement;][6]

[WHEREAS, Company has, as provided in the Indenture, heretofore executed and delivered to Loan Trustee Indenture Supplement(s) for the purpose of specifically subjecting to the Lien of the Indenture certain airframes and/or engines therein described, which Indenture Supplement(s) is/are dated and has/have been duly recorded with the FAA as set forth below, to wit:

Date Recordation Date FAA Document Number][7]

6 Use for Indenture Supplement No. 1 only.

7 Use for all Indenture Supplements other than Indenture Supplement No. 1.

NOW, THEREFORE, (x) to secure the prompt and complete payment (whether at stated maturity, by acceleration or otherwise) of principal of, Make-Whole Amount, if any, and interest on, the Equipment Notes and all other Secured Obligations payable by Company under the Operative Documents and the performance and observance by Company of all the agreements and covenants to be performed or observed by Company for the benefit of Noteholders and Indenture Indemnitees contained in the Operative Documents and (y) to secure the Related Secured Obligations, and in consideration of the premises and of the covenants contained in the Operative Documents and the Related Indentures, and for other good and valuable consideration given by Noteholders, Indenture Indemnitees and Related Indenture Indemnitees to Company at or before the Closing Date, the receipt and adequacy of which is hereby acknowledged, Company does hereby grant, bargain, sell, convey, transfer, mortgage, assign, pledge and confirm unto Loan Trustee and its successors in trust and permitted assigns, for the security and benefit of Noteholders, each Indenture Indemnitee and each Related Indenture Indemnitee, a first priority security interest in, and mortgage lien on, all estate, right, title and interest of Company in, to and under the Aircraft, including the Airframe and Engines described in Annex A attached hereto, whether or not any such Engine from time to time is installed on the Airframe or any other airframe or any other aircraft, and any and all Parts relating thereto, and, to the extent provided in the Indenture, all substitutions and replacements of, and additions, improvements, accessions and accumulations to, the Aircraft, including the Airframe, the Engines and any and all Parts (in each case other than Excluded Equipment) relating thereto;

To have and to hold such first priority security interest in, and mortgage lien on all and singular the aforesaid property unto Loan Trustee, and its successors and permitted assigns, in trust for the equal and proportionate benefit and security of Noteholders, Indenture Indemnitees and Related Indenture Indemnitees, except as otherwise provided in the Indenture, including Section 2.13 and Article III of the Indenture, without any priority of any one Equipment Note over any other, or any Related 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 subject to the terms and provisions set forth in the Indenture.

This Indenture Supplement shall be construed as supplemental to the Indenture and shall form a part thereof, and the Indenture is hereby incorporated by reference herein and is hereby ratified, approved and confirmed.

THIS INDENTURE SUPPLEMENT HAS BEEN DELIVERED IN THE STATE OF NEW YORK AND SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF NEW YORK, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE.

[Signature Pages Follow.]

IN WITNESS WHEREOF, the undersigned have caused this Indenture Supplement No. _____ to be duly executed by their respective duly authorized officers, on the date first above written.

FEDERAL EXPRESS CORPORATION

By: _____
Name:
Title:

WILMINGTON TRUST COMPANY, not in its individual capacity, except as expressly provided herein, but solely as Loan Trustee

By: _____
Name:
Title:

Signature Page

Annex A
to Indenture Supplement No. ___
(N869FD)

DESCRIPTION OF AIRFRAME AND ENGINES

AIRFRAME

Manufacturer	Model	Generic Manufacturer Model	FAA Registration No.	Manufacturer's Serial No.
The Boeing Company	Boeing 777FS2	Boeing 777F	N869FD	40675

ENGINES

Manufacturer	Model	Generic Manufacturer Model	Manufacturer's Serial Nos.
General Electric	GE90-110B1	GE90-110	907840 907841

Each Engine has 550 or more rated take-off horsepower or the equivalent of such horsepower and is a jet propulsion aircraft engine having at least 1750 pounds of thrust or the equivalent of such thrust.

Exhibit B
to Indenture and Security Agreement
(N869FD)

LIST OF PERMITTED COUNTRIES

Argentina
Australia
Austria
Bahamas
Barbados
Belgium
Bermuda Islands
Bolivia
Brazil
British Virgin Islands
Canada
Cayman Islands
Chile
Colombia
Czech Republic
Denmark
Ecuador
Egypt
Finland
France
Germany
Greece
Guatemala
Hong Kong
Hungary
Iceland
India
Indonesia
Ireland
Italy
Jamaica
Japan
Jordan
Kuwait
Liechtenstein
Luxembourg
Malaysia
Malta
Mexico
Monaco
Morocco
Netherlands Antilles
Netherlands, the
New Zealand
Norway
Panama
Peoples' Republic of China
Philippines
Poland
Portugal
Republic of China (Taiwan)
Russia
Singapore
South Africa
South Korea
Spain
Sweden
Switzerland
Thailand
Trinidad and Tobago
Turkey
United Kingdom
Uruguay
Venezuela

Exhibit C
to Indenture and
Security Agreement
(N869FD)

CERTAIN TERMS

Insurance Threshold:	$35,000,000

Schedule I
to Indenture and
Security Agreement

DESCRIPTION OF EQUIPMENT NOTES

		Original Principal Amount	Maturity Date
Series Equipment Notes:	AA	$70,607,000.00	February 20, 2034

CERTAIN DEFINED TERMS

Defined Term	Definition
Debt Rate for Series AA Equipment Notes	1.875% per annum
Make-Whole Spread for Series AA Equipment Notes	0.002%

EQUIPMENT NOTES AMORTIZATION

SERIES AA EQUIPMENT NOTES
Boeing model 777FS2
N869FD

N869FD

Date	Scheduled Payments of Principal	Equipment Note Ending Balance
At Issuance	$ 0.00	$ 70,607,000.00
February 20, 2021	1,887,770.57	68,719,229.43
August 20, 2021	1,887,770.57	66,831,458.86
February 20, 2022	1,887,770.57	64,943,688.29
August 20, 2022	1,887,770.57	63,055,917.72
February 20, 2023	1,887,770.57	61,168,147.15
August 20, 2023	1,887,770.57	59,280,376.58
February 20, 2024	1,887,770.57	57,392,606.01
August 20, 2024	1,887,770.57	55,504,835.44
February 20, 2025	1,887,770.57	53,617,064.87
August 20, 2025	1,887,770.57	51,729,294.30
February 20, 2026	1,887,770.57	49,841,523.73
August 20, 2026	1,887,770.57	47,953,753.16
February 20, 2027	1,887,770.57	46,065,982.59
August 20, 2027	1,887,770.57	44,178,212.02
February 20, 2028	1,887,770.57	42,290,441.45
August 20, 2028	1,887,770.57	40,402,670.88
February 20, 2029	1,887,770.57	38,514,900.31
August 20, 2029	1,887,770.57	36,627,129.74
February 20, 2030	1,887,770.57	34,739,359.17
August 20, 2030	1,887,770.57	32,851,588.60
February 20, 2031	1,887,770.57	30,963,818.03
August 20, 2031	1,887,770.57	29,076,047.46
February 20, 2032	1,887,770.57	27,188,276.89
August 20, 2032	1,887,770.57	25,300,506.32
February 20, 2033	1,887,770.57	23,412,735.75
August 20, 2033	1,887,770.57	21,524,965.18
February 20, 2034	21,524,965.18	—

EQUIPMENT NOTES AMORTIZATION[8]

The portion of this Schedule appearing below this text is intentionally deleted from the FAA filing counterpart because the parties hereto deem it to contain confidential information.

8 This page to be included only in the FAA filing package in the place of the completed amortization schedule.

Schedule II
to Indenture and
Security Agreement

PASS THROUGH TRUST AGREEMENT AND

PASS THROUGH TRUST SUPPLEMENT

Pass Through Trust Agreement, dated as of the Issuance Date, between Federal Express Corporation and Wilmington Trust Company, as trustee.

Annex A
to Indenture and
Security Agreement

DEFINITIONS
(N869FD)

"Additional Insureds" has the meaning specified in Section 7.06(a) of the Indenture.

"Additional Series" or "Additional Series Equipment Notes" means Equipment Notes issued under the Indenture and designated as a Series (other than "Series AA") thereunder in the principal amounts and maturities and bearing interest as specified in Schedule I to the Indenture amended at the time of original issuance of such Additional Series under the heading for such Series.

"Additional Series Pass Through Certificates" means the pass through certificates issued by any Additional Series Pass Through Trust.

"Additional Series Pass Through Trust" means a grantor trust created to facilitate the issuance and sale of pass through certificates in connection with the issuance of any Additional Series Equipment Notes.

"Additional Series Pass Through Trust Agreement" means a Trust Supplement entered into in connection with the creation of an Additional Series Pass Through Trust, together with the Basic Pass Through Trust Agreement, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Additional Series Pass Through Trustee" means, with respect to any Additional Series Pass Through Trust, the trustee under the Additional Series Pass Through Trust Agreement for such Additional Series Pass Through Trust.

"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" (including "controlled by" and "under common control with") shall mean 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. In no event shall WTC be deemed to be an Affiliate of Loan Trustee or vice versa.

"Agreement" and "Participation Agreement" mean that certain Participation Agreement (N869FD), dated on or before the Closing Date, among Company, WTC, Pass Through Trustee under the Pass Through Trust Agreement, Subordination Agent and Loan Trustee, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Aircraft" means the Airframe (or any Substitute Airframe or Replacement Airframe substituted therefor pursuant to Section 7.04 or Section 7.05, respectively, of the Indenture) together with the two Engines described in the Indenture Supplement originally executed and delivered under the Indenture (or any Replacement Engine that may from time to time be substituted for any of such Engines pursuant to Section 7.04 or Section 7.05 of the Indenture), whether or not any of such initial or substituted Engines is from time to time installed on such Airframe or installed on any other airframe or on any other aircraft. The term "Aircraft" includes any Replacement Aircraft.

"Aircraft Protocol" means the official English language text of the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment, adopted on November 16, 2001, at a diplomatic conference in Cape Town, South Africa, and all amendments, supplements, and revisions thereto (and from and after the effective date of the Cape Town Treaty in the relevant country, means when referring to the Aircraft Protocol with respect to that country, the Aircraft Protocol as in effect in such country, unless otherwise indicated).

"Airframe" means (a) the Boeing 777FS2 generic manufacturer and model Boeing 777F aircraft (except (i) the Engines or engines from time to time installed thereon and any and all Parts related to such Engine or engines and (ii) Excluded Equipment) specified on Annex A to the Indenture Supplement originally executed and delivered under the Indenture and (b) any and all related Parts. The term "Airframe" includes any Substitute Airframe or Replacement Airframe that is substituted for the Airframe pursuant to Section 7.04 or Section 7.05, respectively, of the Indenture. At such time as any Substitute Airframe or Replacement Airframe is so substituted and the Airframe for which such substitution is made is released from the Lien of the Indenture, such replaced Airframe shall cease to be an Airframe under the Indenture.

"Appraisers" has the meaning set forth in the Intercreditor Agreement.

"Bankruptcy Code" means the United States Bankruptcy Code, 11 United States Code §§101 et seq., as amended from time to time, or any successor statutes thereto.

"Basic Pass Through Trust Agreement" means that certain Pass Through Trust Agreement, dated as of August 13, 2020, between Company and WTC, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms (but does not include any Trust Supplement).

"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 New York, New York, Memphis, Tennessee or, if different from the foregoing, the city and state in which Loan Trustee, any Pass Through Trustee or Subordination Agent maintains its Corporate Trust Office or receives and disburses funds.

"Cape Town Convention" means the official English language text of the Convention on International Interests in Mobile Equipment, adopted on November 16, 2001, at a diplomatic conference in Cape Town, South Africa, and all amendments, supplements, and revisions thereto (and from and after the effective date of the Cape Town Treaty in the relevant country, means when referring to the Cape Town Convention with respect to that country, the Cape Town Convention as in effect in such country, unless otherwise indicated).

"Cape Town Treaty" means, collectively, the official English language text of (a) the Convention on International Interests in Mobile Equipment, and (b) the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment, in each case adopted on November 16, 2001, at a diplomatic conference in Cape Town, South Africa, and from and after the effective date of the Cape Town Treaty in the relevant country, means when referring to the Cape Town Treaty with respect to that country, the Cape Town Treaty as in effect in such country, unless otherwise indicated, and (c) all rules and regulations adopted pursuant thereto and, in the case of each of the foregoing described in clauses (a) through (c), all amendments, supplements, and revisions thereto.

"Class AA Pass Through Trust" means the FedEx Pass Through Trust 2020-1AA created pursuant to the Basic Pass Through Trust Agreement, as supplemented by Trust Supplement No. 2020-1AA, dated as of the Issuance Date, between Company and Wilmington Trust Company, as Class AA Trustee.

"Class AA Trustee" means the trustee for the Class AA Pass Through Trust.

"Citizen of the United States" has the meaning specified for such term in Section 40102(a)(15) of Title 49 of the United States Code or any similar legislation of the United States enacted in substitution or replacement therefor.

"Claim" has the meaning specified in Section 4.02(a) of the Participation Agreement.

"Class AA Liquidity Facility" has the meaning set forth in the Intercreditor Agreement.

"Class AA Liquidity Provider" has the meaning set forth in the Intercreditor Agreement.

"Closing" has the meaning specified in Section 2.03 of the Participation Agreement.

"Closing Date" means the Issuance Date.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Collateral" has the meaning specified in the granting clause of the Indenture.

"Company" means Federal Express Corporation, and its successors and permitted assigns.

"Compulsory Acquisition" means requisition of title or other compulsory acquisition, capture, seizure, deprivation, confiscation or detention for any reason of the Aircraft, the Airframe or any Engine by any government that results in the loss of title or use of the Aircraft, the Airframe or any Engine by Company (or any Permitted Lessee) for a period in excess of 180 consecutive days, but shall exclude requisition for use or hire not involving requisition of title.

"Confidential Information" has the meaning specified in Section 10.16 of the Indenture.

"Controlling Party" has the meaning specified in Section 2.06 of the Intercreditor Agreement.

"Corporate Trust Office" has the meaning specified in Section 1.01 of the Intercreditor Agreement.

"CRAF Program" means the Civil Reserve Air Fleet Program authorized under 10 U.S.C. Section 9511 et seq. or any similar or substitute program under the laws of the United States.

"Debt Rate" means (i) with respect to any Series of Equipment Notes, the rate per annum specified for the applicable Series as such in Schedule I to the Indenture (as amended, in the case of any Series of Additional Series Equipment Notes, or new Additional Series Equipment Notes of any Series issued pursuant to Section 2.02 of the Indenture, at the time of issuance of such Series), 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 in each case any interest payable at the Past Due Rate.

"Defaulted Operative Indenture" means any Operative Indenture (the terms "Event of Default", "Equipment Notes" and "Payment Default" used in this definition have the meanings specified therefor in such Operative Indenture) with respect to which (i) a Payment Default has occurred and is continuing or an Event of Default described in Section 4.01(a) of such Operative Indenture has occurred and is continuing or (ii) an Event of Default other than an Event of Default described in Section 4.01(a) of such Operative Indenture has occurred and is continuing and, in any such case, either (x) the Equipment Notes issued thereunder have been accelerated and such acceleration has not been rescinded and annulled in accordance therewith or (y) the loan trustee under such Operative Indenture has given Company a notice of its intention to exercise one or more of the remedies specified in Section 4.02(a) of such Operative Indenture; provided that in the event of a bankruptcy proceeding under the Bankruptcy Code under which Company is a debtor, if and so long as the trustee or the debtor agrees to perform and performs all obligations of Company under such Operative Indenture and the Equipment Notes issued thereunder in accordance with Section 1110(a)(2) of the Bankruptcy Code and cures defaults under such Operative Indenture and Equipment Notes to the extent required by Section 1110(a)(2) of the Bankruptcy Code, such Operative Indenture shall not be a Defaulted Operative Indenture.

"Direction" has the meaning specified in Section 2.16 of the Indenture.

"Dollars" and "$" mean the lawful currency of the United States.

"Eligible Account" means an account established by and with an Eligible Institution at the request of Loan Trustee, which institution agrees, for all purposes of the NY UCC including Article 8 thereof, that (a) such account shall be a "securities account" (as defined in Section 8-501(a) of the NY UCC), (b) such institution is a "securities intermediary" (as defined in Section 8-102(a)(14) of the NY UCC), (c) all property (other than cash) credited to such account shall be treated as a "financial asset" (as defined in Section 8-102(a)(9) of the NY UCC), (d) Loan Trustee shall be the "entitlement holder" (as defined in Section 8-102(a)(7) of the NY UCC) in respect of such account, (e) it will comply with all entitlement orders issued by Loan Trustee to the exclusion of Company, (f) it will waive or subordinate in favor of Loan Trustee 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 NY UCC) shall be the State of New York.

"Eligible Institution" means the corporate trust department of (a) WTC or any other Person that becomes a successor Loan Trustee under the Indenture, in each case, acting solely in its capacity as a "securities intermediary" (as defined in Section 8- 102(a)(14) of the NY 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 Rating (or, in each case, if a Long-Term Rating is not available, its Short-Term Rating equivalent) from Moody's of at least A3 or its equivalent and S&P of at least A- or its equivalent.

"Engine" means (a) each of the two GE90-110B1 engines (generic manufacturer and model GE90-110) listed by manufacturer's serial number and further described on Annex A to the Indenture Supplement originally executed and delivered under the Indenture, whether or not from time to time installed on the Airframe or installed on any other airframe or on any other aircraft and (b) any Replacement Engine substituted for an Engine pursuant to Section 7.04 or 7.05 of the Indenture; together in each case with any and all related Parts but excluding Excluded Equipment. At such time as a Replacement Engine is so substituted and the Engine for which substitution is made is released from the Lien of the Indenture, such replaced Engine shall cease to be an Engine under the Indenture.

"Equipment Note" means and includes any equipment notes issued under the Indenture in the form specified in Section 2.01 thereof (as such form may be varied pursuant to the terms of the Indenture) and any Equipment Note issued in exchange therefor or replacement thereof pursuant to Section 2.07 or 2.08 of the Indenture.

"Equipment Note Register" has the meaning specified in Section 2.07 of the Indenture.

"Equipment Note Registrar" has the meaning specified in Section 2.07 of the Indenture.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder. Section references to ERISA are to ERISA as in effect at the date of the Participation Agreement and any subsequent provisions of ERISA amendatory thereof, supplemental thereto or substituted therefor.

"Event of Default" has the meaning specified in Section 4.01 of the Indenture.

"Event of Loss" means, with respect to the Aircraft, Airframe or any Engine, any of the following events with respect to such property:

(a) the loss of such property or of the use thereof due to destruction, damage beyond repair or rendition of such property permanently unfit for normal use for any reason whatsoever;

(b) any damage to such property which results in an insurance settlement with respect to such property on the basis of a total loss, a compromised total loss or a constructive total loss;

(c) the theft, hijacking or disappearance of such property for a period in excess of 180 consecutive days;

(d) the requisition for use or hire of such property by any government (other than a requisition for use or hire by a Government or the government of the country of registry of the Aircraft) that results in the loss of possession of such property by Company (or any Permitted Lessee) for a period in excess of 12 consecutive months;

(e) the operation or location of the Aircraft, while under requisition for use by any government, in any area excluded from coverage by any insurance policy in effect with respect to the Aircraft required by the terms of Section 7.06 of the Indenture, unless Company shall have obtained indemnity or insurance in lieu thereof from such government;

(f) any Compulsory Acquisition;

(g) as a result of any law, rule, regulation, order or other action by the FAA or other government of the country of registry, the use of the Aircraft or Airframe in the normal business of air transportation is prohibited by virtue of a condition affecting all aircraft of the same type for a period of 18 consecutive months, unless Company is diligently carrying forward all steps that are necessary or desirable to permit the normal use of the Aircraft or Airframe or, in any event, if such use is prohibited for a period of three consecutive years; and

(h) with respect to an Engine only, any divestiture of title to or interest in an Engine or any event with respect to an Engine that is deemed to be an Event of Loss with respect to such Engine pursuant to Section 7.02(a)(vii) of the Indenture.

An Event of Loss with respect to the Aircraft shall be deemed to have occurred if an Event of Loss occurs with respect to the Airframe unless Company elects to substitute a Replacement Airframe pursuant toSection 7.05(a)(i) of the Indenture.

"Excluded Equipment" means (i) defibrillators, enhanced emergency medical kits and other medical equipment, (ii) any items, equipment or systems leased by Company or any Permitted Lessee (other than items, equipment, or systems that are leased from Company pursuant to the applicable Lease) or owned by Company or any Permitted Lessee subject to a conditional sales agreement or a security interest (other than the security interest granted under the Indenture) and (iii) cargo containers.

"FAA" means the United States Federal Aviation Administration and any agency or instrumentality of the United States government succeeding to its functions.

"FAA Bill of Sale" means the bill of sale for the Aircraft on AC Form 8050-2 (or such other form as may be approved by the FAA) executed by Manufacturer or an affiliate of Manufacturer in favor of Company and recorded with the FAA.

"Federal Funds 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 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 WTC from three Federal funds brokers of recognized standing selected by it.

"Government" means the government of any of Canada, France, Germany, Japan, The Netherlands, Sweden, Switzerland, the United Kingdom or the United States and any instrumentality or agency thereof.

"Indemnitee" has the meaning specified in Section 4.02(b) of the Participation Agreement.

"Indenture" means that certain Indenture and Security Agreement (N869FD), dated as of the Closing Date, between Company and Loan Trustee, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms, including supplementation by an Indenture Supplement pursuant to the Indenture.

"Indenture Indemnitee" means (i) Loan Trustee, (ii) WTC, (iii) each separate or successor or additional trustee appointed pursuant to Section 8.02 of the Indenture, (iv) so long as it holds any Equipment Notes as agent and trustee of any Pass Through Trustee, Subordination Agent, (v) the Liquidity Provider, (vi) so long as it is the holder of any Equipment Notes, each Pass Through Trustee, and (vii) any of their respective successors and permitted assigns in such capacities, directors, officers, employees, agents and servants. No holder of a Pass Through Certificate in its capacity as such shall be an Indenture Indemnitee.

"Indenture Supplement" means a supplement to the Indenture, substantially in the form of Exhibit A to the Indenture, which particularly describes the Aircraft, and any Substitute Airframe, Replacement Airframe and/or Replacement Engine, included in the property subject to the Lien of the Indenture.

"Insurance Threshold" is the amount set forth as the Insurance Threshold in Exhibit C to the Indenture.

"Intercreditor Agreement" means that certain Intercreditor Agreement, dated as of the Issuance Date, among the Pass Through Trustee, the Liquidity Provider and Subordination Agent, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms; provided that, for purposes of any obligations of Company, no amendment, modification or supplement to, or substitution or replacement of, such Intercreditor Agreement shall be effective unless consented to by Company.

"Interests" has the meaning specified in Section 7.06(a) of the Indenture.

"International Interest" has the meaning ascribed to the defined term "international interest" under the Cape Town Treaty.

"International Registry" means the international registry established pursuant to the Cape Town Treaty.

"Issuance Date" means August 13, 2020.

"Lease" means any lease permitted by the terms of Section 7.02(a) of the Indenture.

"Lien" means any mortgage, pledge, lien, encumbrance, lease, sublease, sub- sublease or security interest.

"Liquidity Facility" means, collectively, the Class AA Liquidity Facility.

"Liquidity Provider" means, collectively, Class AA Liquidity Provider.

"Loan Amount" has the meaning specified in Section 7.06(c) of the Indenture.

"Loan Trustee" has the meaning specified in the introductory paragraph of the Indenture.

"Loan Trustee Liens" means any Lien attributable to WTC or Loan Trustee with respect to the Aircraft, any interest therein or any other portion of the Collateral arising as a result of (i) claims against WTC or Loan Trustee not related to its interest in the Aircraft or the administration of the Collateral pursuant to the Indenture, (ii) acts of WTC or Loan Trustee not permitted by, or the failure of WTC or Loan Trustee to take any action required by, the Operative Documents or the Pass Through Documents, (iii) claims against WTC or Loan Trustee relating to Taxes or Claims that are excluded from the indemnification provided by Section 4.02 of the Participation Agreement pursuant to said Section 4.02 or (iv) claims against WTC or Loan Trustee arising out of the transfer by any such party of all or any portion of its interest in the Aircraft, the Collateral, the Operative Documents or the Pass Through Documents, except while an Event of Default is continuing and prior to the time that Loan Trustee has received all amounts due to it pursuant to the Indenture.

"Long-Term Rating" has the meaning specified in the Intercreditor Agreement.

"Loss Payment Date" has the meaning specified in Section 7.05(a) of the Indenture.

"Majority in Interest of Noteholders" means, as of a particular date of determination and subject to Section 2.16 of the Indenture, the holders of at least a majority in aggregate unpaid principal amount of all Equipment Notes outstanding as of such date (excluding any Equipment Notes actually known by Loan Trustee to be held by Company or any Affiliate thereof, it being understood that a Pass Through Trustee shall be considered an Affiliate of Company as long as more than 50% in the aggregate face amount of Pass Through Certificates issued by the corresponding Pass Through Trust are held and able to be voted by Company or an Affiliate of Company or a Pass Through Trustee is otherwise under the control of Company or such Affiliate of Company (unless all Equipment Notes then outstanding are held by Company or any Affiliate thereof, including Pass Through Trustees which are considered Affiliates of Company pursuant hereto)); provided that for the purposes of directing any action or casting any vote or giving any consent, waiver or instruction hereunder, any Noteholder of an Equipment Note or Equipment Notes may allocate, in such Noteholder'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.

"Make-Whole Amount" means, with respect to any Equipment Note, the amount (as determined by an independent investment banker selected by Company (and, following the occurrence and during the continuance of an Event of Default, reasonably acceptable to Loan Trustee)), if any, by which (i) the present value of the remaining scheduled payments of principal and interest from the redemption date to maturity of such Equipment Note computed by discounting each such payment on a semiannual basis from its respective Payment Date (assuming a 360-day year of twelve 30 day months) using a discount rate equal to the Treasury Yield plus the Make-Whole Spread exceeds (ii) the outstanding principal amount of such Equipment Note plus accrued but unpaid interest thereon to the date of redemption. For purposes of determining the Make-Whole Amount, "Treasury Yield" means, at the date of determination, the interest rate (expressed as a semiannual equivalent and as a decimal rounded to the number of decimal places as appears in the Debt Rate of such Equipment Note and, in the case of United States Treasury bills, converted to a bond equivalent yield) determined to be the per annum rate equal to the semiannual yield to maturity for United States Treasury securities maturing on the Average Life Date and trading in the public securities market either as determined by interpolation between the most recent weekly average constant maturity, non-inflation-indexed series yield to maturity for two series of United States Treasury securities, trading in the public securities markets, (A) one maturing as close as possible to, but earlier than, the Average Life Date and (B) the other maturing as close as possible to, but later than, the Average Life Date, in each case as reported in the most recent H.15 Page or, if a weekly average constant maturity, non-inflation indexed series yield to maturity for United States Treasury securities maturing on the Average Life Date is reported in the most recent H.15 Page, such weekly average yield to maturity as reported in such H.15 Page. "H.15 Page" means the H.15 Page published by the Board of Governors of the Federal Reserve System on its website (or successor publication of such information by such Board of Governors). The date of determination of a Make-Whole Amount shall be the third Business Day prior to the applicable redemption date and the "most recent H.15 Page" means the H.15 Page published prior to the close of business on the third Business Day prior to the applicable redemption date. "Average Life Date" means, for each Equipment Note to be redeemed, the date which follows the redemption date by a period equal to the Remaining Weighted Average Life at the redemption date of such Equipment Note. "Remaining Weighted Average Life" of an Equipment Note, at the redemption date of such Equipment Note, means the number of days equal to the quotient obtained by dividing: (i) the sum of the products obtained by multiplying (A) the amount of each then remaining installment of principal, including the payment due on the maturity date of such Equipment Note, by (B) the number of days from and including the redemption date to but excluding the scheduled Payment Date of such principal installment by (ii) the then unpaid principal amount of such Equipment Note. Loan Trustee shall have no obligation to calculate, or verify the calculation of, the Make- Whole Amount.

"Make-Whole Spread" means, with respect to any Series of Equipment Notes, the percentage specified for the applicable Series as such in Schedule I to the Indenture (as amended, in the case of any Additional Series, or new Additional Series issued pursuant to Section 2.02 of the Indenture, at the time of issuance of such Series).

"Manufacturer" means The Boeing Company, a Delaware corporation, and its successors and assigns.

"Manufacturer's Consent" means the Manufacturer's Consent and Agreement to Assignment of Warranties, dated as of the Closing Date, substantially in the form of Exhibit D to the Participation Agreement.

"MCMV" has the meaning in the case of the Airframe and any Substitute Airframe, specified in Section 7.04(e) of the Indenture.

"Minimum Insurance Amount" has the meaning specified in Section 7.06(a) of the Indenture.

"Moody's" means Moody's Investors Service, Inc.

"Noteholder" means any Person in whose name an Equipment Note is registered on the Equipment Note Register (including, for so long as it is the registered holder of any Equipment Notes, Subordination Agent on behalf of Pass Through Trustees pursuant to the provisions of the Intercreditor Agreement).

"Noteholder Liens" means any Lien attributable to any Noteholder on or against the Aircraft, any interest therein or any other portion of the Collateral, arising out of any claim against such Noteholder that is not related to the Operative Documents or Pass Through Documents, or out of any act or omission of such Noteholder that is not related to the transactions contemplated by, or that constitutes a breach by such Noteholder of its obligations under, the Operative Documents or the Pass Through Documents.

"NY UCC" means the UCC as in effect in the State of New York.

"Operative Documents" means, collectively, the Participation Agreement, the Indenture, each Indenture Supplement, the Manufacturer's Consent and the Equipment Notes.

"Operative Indentures" means, as of any date, each "Indenture" (as such term is defined in the Intercreditor Agreement), dated as of the date of the Indenture, including the Indenture, but only if as of such date all "Equipment Notes" (as defined in each such "Indenture") are held by "Subordination Agent" under the "Intercreditor Agreement", as such terms are defined in each such "Indenture".

"Other Party Liens" means any Lien attributable to any Pass Through Trustee (other than in its capacity as Noteholder), Subordination Agent (other than in its capacity as Noteholder) or the Liquidity Provider on or against the Aircraft, any interest therein, or any other portion of the Collateral arising out of any claim against such party that is not related to the Operative Documents or Pass Through Documents, or out of any act or omission of such party that is not related to the transactions contemplated by, or that constitutes a breach by such party of its obligations under, the Operative Documents or the Pass Through Documents.

"Parent" means FedEx Corporation, a Delaware corporation (as defined in the Intercreditor Agreement).

"Parent Guarantee" means the guarantee, dated as of the Closing Date, provided by Parent for the benefit of the Trustee, the Subordination Agent and the Loan Trustee (each as defined in the Intercreditor Agreement), as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Participation Agreement" has the meaning set forth under the definition of "Agreement".

"Parts" means any and all appliances, parts, instruments, appurtenances, accessories, furnishings and other equipment of whatever nature (other than (a) complete Engines or engines and (b) Excluded Equipment), so long as the same are incorporated or installed in or attached to the Airframe or any Engine or so long as the same are subject to the Lien of the Indenture in accordance with the terms of Section 7.04 thereof after removal from the Airframe or any Engine.

"Pass Through Certificates" means the pass through certificates issued by any Pass Through Trust (and any other pass through certificates for which such pass through certificates may be exchanged).

"Pass Through Documents" means the Pass Through Trust Agreement, the Intercreditor Agreement and the Liquidity Facility.

"Pass Through Trust" means the grantor trust that has been created pursuant to the Pass Through Trust Agreement to facilitate certain of the transactions contemplated by the Operative Documents.

"Pass Through Trust Agreement" means the Trust Supplement relating to the Class AA Pass Through Trust, together with the Basic Pass Through Trust Agreement, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Pass Through Trustee" means the trustee under the Pass Through Trust Agreement, together with any successor in interest and any successor or other trustee appointed as provided in the Pass Through Trust Agreement.

"Past Due Rate" means the lesser of (a) with respect to (i) any payment made to a Noteholder under any Series of Equipment Notes, the Debt Rate then applicable to such Series plus 1% and (ii) any other payment made under any Operative Document to any other Person, the Debt Rate plus 1% (computed on the basis of a year of 360 days comprised of twelve 30-day months) and (b) the maximum rate permitted by applicable law.

"Payment Date" means, for any Equipment Note, each February 20 and August 20, commencing with February 20, 2021.

"Payment Default" means the occurrence of an event that would give rise to an Event of Default under Section 4.01(a) of the Indenture upon the giving of notice or the passing of time or both.

"Permitted Investments" means each of (a) direct obligations of the United States and agencies thereof; (b) obligations fully guaranteed by the United States; (c) certificates of deposit issued by, or bankers' acceptances of, or time deposits with, any bank, trust company or national banking association incorporated or doing business under the laws of the United States or one of the states thereof having combined capital and surplus and retained earnings of at least $100,000,000 and having a Long-Term Rating (or its Short- Term Rating equivalent) from either Moody's of at least Aa3 (or its equivalent) or S&P of at least AA- (or its equivalent) (or, if neither such organization then rates such institutions, an equivalent long-term rating or short-term rating from any nationally recognized rating organization in the United States); (d) commercial paper of any holding company of a bank, trust company or national banking association described in clause (c); (e) commercial paper of companies having a Short-Term Rating assigned to such commercial paper by either Moody's or S&P (or, if neither such organization then rates such commercial paper, by any nationally recognized rating organization in the United States) equal to the highest rating assigned by such organization; (f) Dollar-denominated certificates of deposit issued by, or time deposits with, the European subsidiaries of (i) any bank, trust company or national banking association described in clause (c), or (ii) any other bank or financial institution described in clause (g), (h) or (j) below; (g) United States-issued Yankee certificates of deposit issued by, or bankers' acceptances of, or commercial paper issued by, any bank having combined capital and surplus and retained earnings of at least $100,000,000 and headquartered in Canada, Japan, the United Kingdom, France, Germany, Switzerland or The Netherlands and having a Long-Term Rating (or its Short-Term Rating equivalent) from either Moody's of at least Aa3 (or its equivalent) or S&P of at least AA- (or its equivalent) (or, if neither such organization then rates such institutions, an equivalent long-term rating or short-term rating from any nationally recognized rating organization in the United States); (h) Dollar-denominated time deposits with any Canadian bank having a combined capital and surplus and retained earnings of at least $100,000,000 and having a Long-Term Rating (or its Short- Term Rating equivalent) from either Moody's of at least Aa3 (or its equivalent) or S&P of at least AA- (or its equivalent) (or, if neither such organization then rates such institutions, an equivalent long-term rating or short-term rating from any nationally recognized rating organization in the United States); (i) Canadian Treasury Bills fully hedged to Dollars; (j) repurchase agreements with any financial institution having combined capital and surplus and retained earnings of at least $100,000,000 collateralized by transfer of possession of any of the obligations described in clauses (a) through (i) above; (k) bonds, notes or other obligations of any state of the United States, or any political subdivision of any state, or any agencies or other instrumentalities of any such state, including, but not limited to, industrial development bonds, pollution control revenue bonds, public power bonds, housing bonds, other revenue bonds or any general obligation bonds, that, at the time of their purchase, such obligations have a Long-Term Rating (or its Short-Term Rating equivalent) from either Moody's of at least Aa3 (or its equivalent) or S&P of at least AA- (or its equivalent) (or, if neither such organization then rates such obligations, an equivalent long-term rating or short-term rating from any nationally recognized rating organization in the United States); (l) bonds or other debt instruments of any company, if such bonds or other debt instruments, at the time of their purchase, have a Long-Term Rating (or its Short-Term Rating equivalent) from either Moody's of at least Aa3 (or its equivalent) or S&P of at least AA- (or its equivalent) (or, if neither such organization then rates such obligations, an equivalent long-term rating or short-term rating from any nationally recognized rating organization in the United States); (m) mortgage backed securities (i) guaranteed by the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation or the Government National Mortgage Association or having a Long-Term Rating (or its Short-Term Rating equivalent) from either Moody's of at least Aa3 (or its equivalent) or S&P of at least AA- (or its equivalent) (or, if neither such organization then rates such securities, an equivalent long-term rating or short-term rating from any nationally recognized rating organization in the United States) or, if unrated, deemed to be of a comparable quality by Loan Trustee and (ii) having an average life not to exceed one year as determined by standard industry pricing practices presently in effect; (n) asset-backed securities having a Long-Term Rating (or its Short-Term Rating equivalent) from either Moody's of at least Aa3 (or its equivalent) or S&P of at least AA- (or its equivalent) (or, if neither such organization then rates such securities, an equivalent long-term rating or short-term rating from any nationally recognized rating organization in the United States) or, if unrated, deemed to be of a comparable quality by Loan Trustee; and (o) such other investments approved in writing by Loan Trustee; provided that the instruments described in the foregoing clauses shall have a maturity no later than the earlier of (i) 365 days following the date of their purchase and (ii) the date when such investments may be required for distribution. The bank acting as Pass Through Trustee or Loan Trustee is hereby authorized, in making or disposing of any investment described herein, to deal with itself (in its individual capacity) or with any one or more of its affiliates, whether it or such affiliate is acting as an agent of Pass Through Trustee or Loan Trustee or for any third person or dealing as principal for its own account.

"Permitted Lessee" means any Person to whom Company is permitted to lease the Airframe or any Engine pursuant to Section 7.02(a) of the Indenture and is a party to a Lease.

"Permitted Lien" has the meaning specified in Section 7.01 of the Indenture.

"Person" means any person, including any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, trustee, unincorporated organization or government or any agency or political subdivision thereof.

"Product Assurance Document" means the Product Assurance Document attached as Exhibit C to the Aircraft General Terms Agreement AGTA-FED, dated as of November 7, 2006.

"Purchase Agreement" means Purchase Agreement No. 3157, dated as of November 7, 2006, which incorporates by reference the Aircraft General Terms Agreement AGTA-FED, dated as of November 7, 2006, between Manufacturer and Company, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Rating Agencies" has the meaning specified in the Intercreditor Agreement.

"Related Additional Series Equipment Note" means, with respect to any particular Series of Additional Series Equipment Notes and as of any date, an "Additional Series Equipment Note", as defined in each Related Indenture, having the same designation (*i.e.*, "Series B", "Series C" or the like) as such Series of Additional Series Equipment Notes, but only if as of such date it is held by "Subordination Agent" under the "Intercreditor Agreement", as such terms are defined in such Related Indenture.

"Related Equipment Note" means, as of any date, an "Equipment Note" as defined in each Related Indenture, but only if as of such date it is held by "Subordination Agent" under the "Intercreditor Agreement", as such terms are defined in such Related Indenture.

"Related Indenture" means each Operative Indenture (other than the Indenture).

"Related Indenture Indemnitee" means each Related Noteholder. "Related Loan Trustee" means "Loan Trustee" as defined in each Related Indenture.

"Related Make-Whole Amount" means the "Make-Whole Amount", as defined in each Related Indenture.

"Related Noteholder" means a registered holder of a Related Equipment Note.

"Related Secured Obligations" means, as of any date, the outstanding principal amount of the Related Equipment Notes issued under each Related Indenture, the accrued and unpaid interest (including, to the extent permitted by applicable law, post-petition interest and interest on any overdue amounts) due thereon in accordance with such Related Indenture as of such date, the Related Make-Whole Amount, if any, with respect thereto due thereon in accordance with such Related Indenture as of such date, and any other amounts payable as of such date under the "Operative Documents" (as defined in each Related Indenture).

"Related Series AA Equipment Note" means, as of any date, a "Series AA Equipment Note", as defined in each Related Indenture, but only if as of such date it is held by "Subordination Agent" under the "Intercreditor Agreement", as such terms are defined in such Related Indenture.

"Replacement Aircraft" means the Aircraft of which a Replacement Airframe is part.

"Replacement Airframe" means a Boeing 777FS2 aircraft or a comparable or improved model of Manufacturer (except (a) Engines or engines from time to time installed thereon and any and all Parts related to such Engine or engines and (b) Excluded Equipment), that shall have been made subject to the Lien of the Indenture pursuant to Section 7.05 thereof, together with all Parts relating to such aircraft.

"Replacement Engine" means a GE90-110B1 engine (or an engine of the same or another manufacturer of a comparable or an improved model and suitable for installation and use on the Airframe with the other Engine (or any other Replacement Engine being substituted simultaneously therewith)) that is made subject to the Lien of the Indenture pursuant to Section 7.04 or Section 7.05 thereof, together with all Parts relating to such engine.

"Replacement Liquidity Facility" has the meaning set forth in the Intercreditor Agreement.

"Replacement Liquidity Provider" has the meaning set forth in the Intercreditor Agreement.

"Responsible Officer" means, with respect to Company, its Chief Executive Officer, Chairman of the Board, its President, its Chief Operating Officer, any Executive Vice President, any Senior Vice President, the Chief Financial Officer, any Vice President, the Treasurer, the Assistant Treasurer, the Controller, the Assistant Secretary or the Secretary.

"S&P" means Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business.

"Section 1110" means Section 1110 of the Bankruptcy Code.

"Secured Obligations" has the meaning specified in Section 2.06 of the Indenture.

"Securities Account" has the meaning specified in Section 3.07 of the Indenture.

"Securities Act" means the Securities Act of 1933, as amended from time to time.

"Securities and Exchange Commission" means the United States Securities and Exchange Commission and any agency or instrumentality of the United States government succeeding to its functions.

"Securities Intermediary" has the meaning specified in Section 3.07 of the Indenture.

"Series" means any series of Equipment Notes, including the Series AA Equipment Notes, or if issued, any Additional Series Equipment Notes.

"Series AA" or "Series AA Equipment Notes" means Equipment Notes issued and designated as "Series AA Equipment Notes" under the Indenture, in the original principal amount and maturities as specified in Schedule I to the Indenture under the heading "Series AA Equipment Notes" and bearing interest at the Debt Rate for Series AA Equipment Notes specified in Schedule I to the Indenture.

"Short-Term Rating" has the meaning specified in the Intercreditor Agreement.

"Subordination Agent" has the meaning specified in the introductory paragraph of the Participation Agreement.

"Substitute Aircraft" means an airframe of a different model of the same or different manufacturer as the Airframe, together with two engines suitable for installation and use on such airframe.

"Substitute Airframe" means a Boeing 777FS2 aircraft or a comparable or improved model of Manufacturer (except (a) Engines or engines from time to time installed thereon and any and all Parts related to such Engine or engines and (b) Excluded Equipment), that shall have been made subject to the Lien of the Indenture pursuant to Section 7.04 thereof, together with all Parts relating to such aircraft.

"Tax" and "Taxes" mean all governmental fees (including, without limitation, license, filing and registration fees) and all taxes (including, without limitation, franchise, excise, stamp, value added, income, gross receipts, sales, use and property taxes), withholdings, assessments, levies, imposts, duties or charges, of any nature whatsoever, together with any related penalties, fines, additions to tax or interest thereon imposed, withheld, levied or assessed by any country, taxing authority or governmental subdivision thereof or therein or by any international authority, including any taxes imposed on any Person as a result of such Person being required to collect and pay over withholding taxes.

"Transportation Code" means that portion of Title 49 of the United States Code comprising those provisions formerly referred to as the Federal Aviation Act of 1958, as amended, or any subsequent legislation that amends, supplements or supersedes such provisions.

"Trust Indenture Act" means the Trust Indenture Act of 1939, as amended from time to time.

"Trust Officer" means any officer within the Corporate Trust Office of Loan Trustee, including any vice president, assistant vice president, assistant secretary, assistant treasurer or any other officer of Loan Trustee who shall have direct responsibility for the administration of the Indenture, or any other officer of Loan Trustee to whom such matter is referred because of his or her knowledge of and familiarity with the particular subject.

"Trust Supplement" means that agreement supplemental to the Basic Pass Through Trust Agreement referred to in Schedule II to the Participation Agreement.

"UCC" means the Uniform Commercial Code as in effect in any applicable jurisdiction.

"United States" means the United States of America.

"WTC" has the meaning specified in the introductory paragraph of the Participation Agreement.

"Warranty Rights" means all right and interest of Company in, to and under Parts 1, 2, 3, 4, and 6 of the Product Assurance Document attached as Exhibit C to the Aircraft General Terms Agreement AGTA-FED, dated as of November 7, 2006, but only to the extent the same relate to continuing rights of Company in respect of any warranty or indemnity, express or implied, pursuant to the Product Assurance Document with respect to the Airframe, it being understood that the Warranty Rights exclude any and all other right, title and interest of Company in, to and under the Purchase Agreement and that the Warranty Rights and the grant of a security interest therein are subject to the terms of the Manufacturer's Consent.

Mark R. Allen
Executive Vice President
General Counsel and Secretary
Member of the Executive Committee

942 South Shady Grove Road
Memphis, TN 38120

August 13, 2020

FedEx Corporation
942 South Shady Grove Road
Memphis, Tennessee 38120

Ladies and Gentlemen:

I am the Executive Vice President, General Counsel and Secretary of FedEx Corporation, a Delaware corporation ("FedEx"), and have acted as such in connection with the preparation and filing of a Registration Statement on Form S-3 (File No. 333-240157) (the "Registration Statement"), filed on July 29, 2020 with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Act"), and in connection with the issuance and sale by Federal Express Corporation, a Delaware corporation (the "Company") today of $970,000,000 face amount of FedEx Pass Through Trust Certificates, Series 2020-1AA (the "Certificates") pursuant to the Underwriting Agreement, dated July 30, 2020 (the "Underwriting Agreement"), among the Company, FedEx and Citigroup Global Markets, Inc., Deutsche Bank Securities Inc., and Morgan Stanley & Co. LLC, as representatives of the several underwriters named in Schedule I to the Underwriting Agreement. The Certificates have been issued under the Pass Through Trust Agreement, dated as of August 13, 2020 between the Company and Wilmington Trust Company, as pass through trustee for the trust relating to the Certificates (the "Trustee"), as supplemented by the Trust Supplement No. 2020-1AA, dated as of August 13, 2020 (the "Trust Supplement"), between the Company and the Trustee (the "Basic Agreement", and, together with the Trust Supplement, the "Trust Agreements").

As used herein, the term "Prospectus" means the base prospectus, dated July 29, 2020, included in the Registration Statement, as supplemented by, and together with, the final prospectus supplement, dated July 30, 2020, relating to the Certificates, in the form filed with the Commission pursuant to Rule 424(b) under the Act, including the documents incorporated by reference therein.

In connection with the opinions expressed below, I have examined, or caused to be examined by attorneys under my supervision, originals or copies, certified or otherwise identified to my satisfaction, of the Registration Statement, the Prospectus, the Underwriting Agreement, the Trust Agreements and the Company's Third Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws, and such agreements, documents, certificates and statements of government officials and other papers as I have deemed necessary or advisable as a basis for such opinions. In such examination, I have assumed the legal capacity of all natural persons, the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with the originals of all documents submitted to us as certified, conformed, photostatic, electronic or facsimile copies and the authenticity of the originals of such documents. In making our examination of executed documents and documents to be executed, I have assumed (i) that the parties thereto (other than the Company) had or will have the power, corporate or otherwise, and authority to enter into and perform all obligations thereunder, (ii) the due delivery by such parties of such documents and (iii) that such documents constitute or will constitute valid and binding obligations of such parties. As to any facts material to the opinions expressed herein, which I have not independently established or verified, I have relied upon statements and representations of officers and representatives of the Company.

Based upon the foregoing and subject to the limitations, qualifications, exceptions and assumptions set forth herein, it is my opinion that:

(a) The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Delaware;

(b) The Company has the corporate power and authority under Delaware law to execute, deliver and perform its obligations under the Trust Agreements; and

(c) Each of the Trust Agreements has been duly authorized, executed and delivered by the Company.

I am qualified to practice law in the State of Tennessee, and the foregoing opinion is limited to the laws of the State of Tennessee and the Delaware General Corporation Law.

I hereby consent to the filing of this opinion as an exhibit to FedEx's Current Report on Form 8-K filed with the Commission on the date hereof, and to the reference to me under the heading "Legal Matters" in the Prospectus. In giving such consent, I do not admit that I am in the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Commission thereunder.

This opinion is expressed as of the date hereof and I undertake no, and disclaim any, obligation to advise you (or any third party) of any subsequent change in or development of law or fact that might affect the matters, conclusions, statements or opinions set forth herein.

Sincerely,

FedEx Corporation

/s/ Mark R. Allen

Mark R. Allen
Executive Vice President, General Counsel and Secretary

Exhibits 5.2 and 23.5

New York	**Paris**
Northern California	**Madrid**
Washington DC	**Tokyo**
São Paulo	**Beijing**
London	**Hong Kong**

Davis Polk & Wardwell LLP
450 Lexington Avenue
New York, NY 10017

212 450 4000 tel
212 701 5800 fax

August 13, 2020

FedEx Corporation
942 South Shady Grove Road
Memphis, Tennessee 38120

Ladies and Gentlemen:

We have acted as special New York counsel to FedEx Corporation, a Delaware corporation (the "Company") and Federal Express Corporation, a Delaware Corporation ("Express") in connection with the Registration Statement on Form S-3 filed on July 29, 2020 (File No. 333-240157) (the "Registration Statement") with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Securities Act"), and in connection with the issuance and sale by Express today of $970,000,000 face amount of FedEx Pass Through Certificates, Series 2020-1AA (the "Pass Through Certificates) pursuant to the Underwriting Agreement, dated July 30, 2020 (the "Underwriting Agreement"), among the Company, Express and Citigroup Global Markets, Inc., Deutsche Bank Securities Inc., and Morgan Stanley & Co. LLC, as representatives of the several underwriters named in Schedule I to the Underwriting Agreement. The Certificates have been issued under the Pass Through Trust Agreement, dated as of August 13, 2020 between Express and Wilmington Trust Company, as pass through trustee for the trust relating to the Pass Through Certificates (the "Trustee"), as supplemented by the Trust Supplement No. 2020-1AA, dated as of August 13, 2020 (the "Trust Supplement"), between Express and the Trustee (the "Basic Agreement", and, together with the Trust Supplement, the "Trust Agreements"). The Pass Through Certificates relate to certain equipment notes (the "Equipment Notes") issued by Express (the "Equipment Notes") pursuant to 19 separate Participation Agreements, each dated as of August 13, 2020 (the "Participation Agreements"). The payment obligations of Express in respect of the Equipment Notes are fully and unconditionally agreed by the Company (the "PTC Guarantee").

As used herein, the term "Prospectus" means the base prospectus, dated July 29, 2020, included in the Registration Statement, as supplemented by, and together with, the final prospectus supplement, dated July 30, 2020, relating to the Pass Through Certificates, in the form filed with the Commission pursuant to Rule 424(b) under the Act, including the documents incorporated by reference therein.

We, as your counsel, have examined originals or copies of such documents, corporate records, certificates of public officials and other instruments as we have deemed necessary or advisable for the purpose of rendering this opinion.

In rendering the opinions expressed herein, we have, without independent inquiry or investigation, assumed that (i) all documents submitted to us as originals are authentic and complete, (ii) all documents submitted to us as copies conform to authentic, complete originals, (iii) all documents filed as exhibits to the Registration Statement that have not been executed will conform to the forms thereof, (iv) all signatures on all documents that we reviewed are genuine, (v) all natural persons executing documents had and have the legal capacity to do so, (vi) all statements in certificates of public officials and officers of the Company, the Trustee and Express that we reviewed were and are accurate and (vii) all representations made by the Company, the Trustee and Express as to matters of fact in the documents that we reviewed were and are accurate.

Based upon the foregoing, and subject to the additional assumptions and qualifications set forth below, we advise you that, in our opinion:

1. With respect to the Pass Through Certificates being issued today, assuming the execution, authentication, issuance and delivery of the Pass Through Certificates by the Pass Through Trustee have been duly authorized by all necessary corporate action of Express and the Pass Through Trustee, the Pass Through Trust Agreement and the Trust Supplement establishing the terms of the Pass Through Certificates and forming the related trust have been duly authorized, executed and delivered by Express and the Pass Through Trustee in accordance with the terms and conditions of the Pass Through Trust Agreement, and the Pass Through Certificates have been duly executed, authenticated, issued and delivered by the Pass Through Trustee and issued, sold, and paid for as contemplated by each of the Registration Statement and the Trust Agreements, the Pass Through Certificates will constitute the valid and binding obligations of the Pass Through Trustee, enforceable against the Pass Through Trustee in accordance with their terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally, concepts of reasonableness and equitable principles of general applicability.

2. With respect to the PTC Guarantee, assuming the execution and delivery of the PTC Guarantee has been duly authorized by all necessary corporate action of the Company and the PTC Guarantee has been duly executed and delivered by the Company and issued by the Company as contemplated by the Registration Statement, the Pass Through Trust Agreement and the related trust supplement, the PTC Guarantee will constitute a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally, concepts of reasonableness and equitable principles of general applicability.

3. Subject to the assumptions, qualifications and limitations set forth in the Prospectus under the caption "Material U.S. Federal Income Tax Consequences", the statements set forth under such caption in the Prospectus, insofar as statements purport to describe provisions of United States federal income tax law or legal conclusions with respect thereto, in our opinion fairly and accurately summarize the matters referred to therein in all material respects.

In connection with the opinions expressed above, we have assumed that, at or prior to the time of the delivery of the Pass Through Certificates, the Pass Through Trust Agreement, the Trust Supplement and the Pass Through Trust Certificates are each valid, binding and enforceable agreements of each party thereto (other than as expressly covered above in respect of the Company, the Pass Through Trustee and Express).

We are members of the Bar of the State of New York and the foregoing opinion is limited to the laws of the State of New York, the federal laws of the United States of America and the General Corporation Law of the State of Delaware, except that we express no opinion as to any law, rule or regulation that is applicable to the Company, Express or the Pass Through Trustee, the Pass Through Certificates, the Trust Agreements or such transactions solely because such law, rule or regulation is part of a regulatory regime applicable to any party to the Pass Through Certificates, the Trust Agreements or any of its affiliates due to the specific assets or business of such party or such affiliate. In particular, we express no opinion as to any matters involving aviation law, including (i) the Transportation Code or any other laws, governmental rules or regulations specific to any aircraft, (ii) the Cape Town Convention together with the "regulations" as defined in the Cape Town Convention and the "International Registry Procedures" as defined in such regulations and all other rules, amendments, supplements and revisions to the foregoing in this clause (ii) (collectively, "Cape Town"), all as in effect on the date hereof in the United States, including without limitation any filings or registrations that may be required under Cape Town, (iii) any federal laws of the United States implementing Cape Town or any requirements thereof.

We hereby consent to the filing of this opinion as an exhibit to the Company's Current Report on Form 8-K filed with the Commission on the date hereof. In addition, we further consent to the reference to our name under the caption "Legal Matters" in the Prospectus. In giving this consent, we do not admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act.

Very truly yours,

/s/ Davis Polk & Wardwell LLP

Exhibits 5.3 and 23.6

August 13, 2020

Federal Express Corporation
3610 Hacks Cross Road
Memphis, TN 38125

RE: FedEx 2020-1AA Pass Through Certificates

Ladies and Gentlemen:

We have acted as counsel to Wilmington Trust Company, a Delaware trust company (in its individual capacity, "WTC"; in its capacity as Subordination Agent, Pass Through Trustee or Loan Trustee, as applicable, the "Trustee"), in connection with the transactions contemplated by the Pass Through Trust Agreement, dated as of August 13, 2020 (the "Basic Agreement"), between WTC, as Pass Through Trustee, and Federal Express Corporation ("FedEx"), as supplemented by Trust Supplement 2020-1AA, dated as of the date hereof (the "Trust Supplement"; the Basic Agreement as so supplemented, the "Class AA Pass Through Trust Agreement") including the issuance of the pass through certificates pursuant to the Pass Through Trust Agreements (the "Certificates"). This opinion is furnished pursuant to your request.

We have examined executed counterparts of the following documents:

(a) the Basic Agreement;

(b) the Class AA Pass Through Trust Agreement (the documents listed in (a) and (b) are collectively referred to herein as the "Transaction Documents");

(c) (1) The Registration Statement on Form S-3 (Registration No. 333-240157), filed by FedEx under the Securities Act of 1933, as amended, and the rules and regulations thereunder (the "Securities Act"), with the Securities and Exchange Commission on July 29, 2020, including the exhibits thereto and the documents filed by FedEx with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, that are incorporated by reference therein and also including the information (if any) deemed to be part of the registration statement at the time of effectiveness pursuant to Rule 430B under the Securities Act (the "Registration Statement"), (2) the basic prospectus dated July 29, 2020, related to pass through certificates included in the Registration Statement, (3) the preliminary prospectus supplement of FedEx dated July 30, 2020, relating to the Certificates in the form filed pursuant to Rule 424(b) under the Securities Act, including the documents incorporated by reference therein, and (4) the final prospectus supplement of FedEx dated July 30, 2020 relating to the Certificates in the form filed pursuant to Rule 424(b) under the Securities Act, including the documents incorporated by reference therein (the "Final Prospectus Supplement"); and

(e) the Certificates issued on the date hereof in definitive form.

We have also examined originals or copies of such other documents and such corporate records, certificates and other statements of governmental officials and corporate officers and other representatives of the corporations or entities referred to herein as we have deemed necessary or appropriate for the purposes of this opinion. Moreover, as to certain facts material to the opinions expressed herein, we have relied upon the representations and warranties contained in the documents referred to in this paragraph.

Based upon the foregoing and upon an examination of such questions of law as we have considered necessary or appropriate, and subject to the assumptions, exceptions and qualifications set forth below, we advise you that, in our opinion:

1. WTC is a trust company duly organized and validly existing in good standing under the laws of the State of Delaware, and has the full power, authority and legal right to execute, deliver and perform its obligations under, in its individual capacity, or as Trustee, as the case may be, the Transaction Documents, and the Trustee has the full corporate power and authority to issue, execute, deliver and authenticate the Certificates being issued today. WTC is a "citizen of the United States" as defined in 49 U.S.C. § 40102.

2. Each of the Transaction Documents has been duly authorized by all necessary corporate or trust action, each of the Transaction Documents has been executed and delivered by WTC in its individual capacity, or as Trustee, as the case may be, and constitutes a legal, valid and binding obligation of WTC in its individual capacity, or as Trustee, as the case may be, enforceable against WTC in its individual capacity, or as Trustee, as the case may be, in accordance with its terms. Each of the Pass Through Trust Agreements is a legal, valid and binding obligation of FedEx, enforceable against FedEx in accordance with its terms.

3. WTC, solely in its capacity as Trustee, has duly authorized, issued, executed, authenticated and delivered the Certificates to the holders thereof pursuant to the terms and provisions of the Transaction Documents; the Certificates are duly authorized, legal, valid and binding obligations of the Trustee, enforceable against the Trustee in accordance with their terms and the terms of the applicable Pass Through Trust Agreement and are entitled to the benefits of the applicable Pass Through Trust Agreement.

4. No authorization, consent or approval of, notice to or filing with, or the taking of any other action in respect of, any governmental authority or agency of the United States or the State of Delaware governing the trust powers of WTC is required for the authorization, execution, delivery or performance by WTC in its individual capacity, or as Trustee, as the case may be, of the Transaction Documents or the consummation of any of the transactions contemplated thereby or the issuance, execution, authentication and delivery of the Certificates.

5. Neither the authorization, execution, delivery or performance by WTC in its individual capacity, or as Trustee, as the case may be, of the Transaction Documents or the issuance of the Certificates, nor compliance with the terms and provisions of any thereof or the consummation of any of the transactions contemplated thereby, conflicts with the charter or bylaws of WTC or results in a breach or violation of any of the terms, conditions or provisions of any law, governmental rule or regulation of the United States or the State of Delaware governing the trust powers of WTC or, to our knowledge, any order, writ, injunction or decree of any court or governmental authority against WTC or by which it or any of its properties is bound or, to our knowledge, any indenture, mortgage, contract or other agreement or instrument to which WTC is a party or by which it or any of its properties is bound, or constitutes a default or result in a lien or encumbrance thereunder or, to our knowledge, results in a violation of any judgment or order applicable to WTC.

6. To our knowledge, there are no proceedings pending or threatened against or affecting WTC in any court or before any governmental authority, agency, arbitration board or tribunal which, if adversely determined, individually or in the aggregate, would materially and adversely affect the pass through trusts created pursuant to the Transaction Documents or question the right, power and authority of WTC in its individual capacity, or as Trustee, as the case may be, to enter into or perform its obligations under the Transaction Documents or to issue the Certificates or which would call into question or challenge the validity of any of the Transaction Documents or the Certificates or the enforceability thereof.

The foregoing opinions are subject to the following assumptions, exceptions and qualifications:

A. We are admitted to practice law in the State of Delaware and do not hold ourselves out as being experts on the law of any other jurisdiction. The foregoing opinions are limited to the laws of the State of Delaware and the federal laws of the United States of America governing the trust powers of Wilmington Trust Company (except that we express no opinion with respect to (i) federal securities laws, including, without limitation, the Securities Act of 1933, as amended, the Trust Indenture Act of 1939, as amended, and the Investment Company Act of 1940, as amended, or (ii) state securities or blue sky laws).

B. The foregoing opinions regarding enforceability are subject to (i) applicable bankruptcy, insolvency, moratorium, receivership, reorganization, fraudulent conveyance and similar laws relating to or affecting the rights and remedies of creditors generally, or (ii) principles of equity (regardless of whether considered and applied in a proceeding in equity or at law).

C. We have assumed the due authorization, execution and delivery by FedEx of the Basic Agreement and the Trust Supplement and that FedEx has the full power, authority and legal right to execute, deliver and perform each such document.

D. We have assumed that all signatures (other than those of Wilmington Trust Company in its individual capacity, or as Trustee, as the case may be) on documents examined by us are genuine, that all documents submitted to us as originals are authentic, and that all documents submitted to us as copies or specimens conform with the originals, which facts we have not independently verified.

E. We have not participated in the preparation of any offering materials with respect to the Certificates and assume no responsibility for their contents.

We hereby consent to the filing of this opinion as an exhibit to FedEx's Current Report on Form 8-K filed on the date hereof and incorporated by reference in the Registration Statement and we further consent to the use of our name under the heading "Validity of the Certificates" in the Final Prospectus Supplement. In giving this consent, we do not thereby admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act, or the rules and regulations of the Securities and Exchange Commission thereunder.

The law firm Davis Polk & Wardwell LLP is entitled to rely upon this opinion letter in rendering its opinion as described in the Final Prospectus Supplement under the heading "Legal Matters" and filed as an Exhibit to the Company's Current Report on Form 8-K filed on the date hereof as if addressed and delivered to it subject to all assumptions, qualifications and limitations set forth herein.

Very truly yours,

/s/ Morris James LLP

LCL/pab

Exhibit 23.1

August 13, 2020

Federal Express Corporation
942 South Shady Grove Road
Memphis, Tennessee 38120

Re: Federal Express Corporation (the "Company")
Thirteen Boeing 767-300F, Six Boeing 777F Aircraft Appraisals

Ladies and Gentlemen:

We hereby consent to (i) the use of the report prepared by us with respect to the aircraft referred to above (ii) the summary of such report under the headings
(a) "Prospectus Supplement Summary – Summary of Terms of Certificates,"
(b) "Prospectus Supplement Summary – Equipment Notes and the Aircraft," (c) "Prospectus Supplement Summary – Loan to Aircraft Value Ratios," (d) "Prospectus Supplement Summary – The Offering," (e) "Risk Factors – Risk Factors Relating to the Certificates and the Offering," (f) "Description of the Aircraft and the Appraisals – The Appraisals" and (g) "Description of the Equipment Notes – Loan to Value Ratios of Equipment Notes" and (iii) references to our firm under the headings "Description of the Aircraft and the Appraisals – The Appraisals" and "Experts" in the Company's preliminary Prospectus Supplement expected to be dated on or about July 29, 2020, and the Company's final Prospectus Supplement, in each case to the Prospectus, dated July 30, 2020, included in Registration Statement No. 333-240157 and relating to the offering of Federal Express Corporation Pass Through Certificates, Series 2020-1.

2101 WILSON BOULEVARD | SUITE 1001 | ARLINGTON, VIRGINIA 22201
PHONE: 1 703 276 3200 | FAX: 17032763201
WWW.MBA.AERO

Sincerely,
mba Aviation

By: /s/ David Tokoph
Name: David Tokoph
Title: President and CEO

[Signature Page to Consent Letter – mba]

Exhibit 23.2

August 13, 2020

Federal Express Corporation
942 South Shady Grove Road
Memphis, Tennessee 38120

Re: Federal Express Corporation (the "Company")
Thirteen Boeing 767-300F, Six Boeing 777F Aircraft Appraisals

Ladies and Gentlemen:

We hereby consent to (i) the use of the report prepared by us with respect to the aircraft referred to above (ii) the summary of such report under the headings
(a) "Prospectus Supplement Summary – Summary of Terms of Certificates,"
(b) "Prospectus Supplement Summary – Equipment Notes and the Aircraft," (c) "Prospectus Supplement Summary – Loan to Aircraft Value Ratios," (d) "Prospectus Supplement Summary – The Offering," (e) "Risk Factors – Risk Factors Relating to the Certificates and the Offering," (f) "Description of the Aircraft and the Appraisals – The Appraisals" and (g) "Description of the Equipment Notes – Loan to Value Ratios of Equipment Notes" and (iii) references to our firm under the headings "Description of the Aircraft and the Appraisals – The Appraisals" and "Experts" in the Company's preliminary Prospectus Supplement expected to be dated on or about July 29, 2020, and the Company's final Prospectus Supplement, in each case to the Prospectus, dated July 30, 2020, included in Registration Statement No. 333-240157 and relating to the offering of Federal Express Corporation Pass Through Certificates, Series 2020-1.

Main Office: 1440 Dutch Valley Place, Suite 180, Atlanta, Georgia 30324
TEL: 404 870-AISI (2474) E-MAIL: mail@AISI.aero www.aisi.aero

Sincerely,

AIRCRAFT INFORMATION SERVICES, INC.

By: /s/ Mark D. Halsor
Name: Mark D. Halsor
Title: President

[Signature Page to Consent Letter – AISI]

Exhibit 23.3

August 13, 2020

Federal Express Corporation
942 South Shady Grove Road
Memphis, Tennessee 38120

Re: Federal Express Corporation (the "Company")
Thirteen Boeing 767-300ERF and Six Boeing 777F Freighter Aircraft Appraisals

Ladies and Gentlemen:

We hereby consent to (i) the use of the report prepared by us with respect to the aircraft referred to above (ii) the summary of such report under the headings
(a) "Prospectus Supplement Summary – Summary of Terms of Certificates,"
(b) "Prospectus Supplement Summary – Equipment Notes and the Aircraft," (c) "Prospectus Supplement Summary – Loan to Aircraft Value Ratios," (d) "Prospectus Supplement Summary – The Offering," (e) "Risk Factors – Risk Factors Relating to the Certificates and the Offering," (f) "Description of the Aircraft and the Appraisals – The Appraisals" and (g) "Description of the Equipment Notes – Loan to Value Ratios of Equipment Notes" and (iii) references to our firm under the headings "Description of the Aircraft and the Appraisals – The Appraisals" and "Experts" in the Company's preliminary Prospectus Supplement expected to be dated on or about July 29, 2020, and the Company's final Prospectus Supplement, in each case to the Prospectus, dated July 30, 2020, included in Registration Statement No. 333-240157 and relating to the offering of Federal Express Corporation Pass Through Certificates, Series 2020-1.

Sincerely,

AVITAS, INC.

By: /s/ Douglas B. Kelly
Name: Douglas B. Kelly
Title: Senior Vice President
Asset Valuation

[Signature Page to Consent Letter – Avitas]

Exhibit 99.1

SCHEDULE I

The following documents applicable to the Boeing 767-300F Aircraft bearing Registration No. 126FE (hereinafter collectively referred to as the "126FE Documents") have been filed: (a) Participation Agreement (N126FE), dated as of August 13, 2020 among Federal Express Corporation, Wilmington Trust Company, as Pass Through Trustee under the Pass Through Trust Agreements, Wilmington Trust Company, as Subordination Agent, Wilmington Trust Company, as Loan Trustee, and Wilmington Trust Company, in its individual capacity as set forth therein (filed as Exhibit 4.9) and (b) Indenture and Security Agreement (N126FE), dated as of August 13, 2020, between Federal Express Corporation and Wilmington Trust Company, as Loan Trustee (filed as Exhibit 4.10).

The corresponding documents with respect to the other Aircraft listed below are substantially identical in all material respects to the N126FE Documents, with the following exceptions: (1) conforming changes have been made to reflect the appropriate United States registration number of the aircraft (i.e., N126FE) and the appropriate manufacturer's serial number of the airframe (i.e., 7529); and (2) the descriptions, including original principal amount and amortization profile, of the equipment notes set forth in, as applicable, Schedule I to the Participation Agreement and Schedule I to the Indenture differ.

1. (N130FE)

(a) Participation Agreement (N130FE), dated as of August 13, 2020 among Federal Express Corporation, Wilmington Trust Company, as Pass Through Trustee under the Pass Through Trust Agreements, Wilmington Trust Company, as Subordination Agent, Wilmington Trust Company, as Loan Trustee, and Wilmington Trust Company, in its individual capacity as set forth therein

(b) Indenture and Security Agreement (N130FE), dated as of August 13, 2020, between Federal Express Corporation and Wilmington Trust Company, as Loan Trustee

2. (N135FE)

(a) Participation Agreement (N135FE), dated as of August 13, 2020 among Federal Express Corporation, Wilmington Trust Company, as Pass Through Trustee under the Pass Through Trust Agreements, Wilmington Trust Company, as Subordination Agent, Wilmington Trust Company, as Loan Trustee, and Wilmington Trust Company, in its individual capacity as set forth therein

(b) Indenture and Security Agreement (N135FE), dated as of August 13, 2020, between Federal Express Corporation and Wilmington Trust Company, as Loan Trustee

3. (N138FE)

(a) Participation Agreement (N138FE), dated as of August 13, 2020 among Federal Express Corporation, Wilmington Trust Company, as Pass Through Trustee under the Pass Through Trust Agreements, Wilmington Trust Company, as Subordination Agent, Wilmington Trust Company, as Loan Trustee, and Wilmington Trust Company, in its individual capacity as set forth therein

(b) Indenture and Security Agreement (N138FE), dated as of August 13, 2020, between Federal Express Corporation and Wilmington Trust Company, as Loan Trustee

4. (N144FE)

(a) Participation Agreement (N144FE), dated as of August 13, 2020 among Federal Express Corporation, Wilmington Trust Company, as Pass Through Trustee under the Pass Through Trust Agreements, Wilmington Trust Company, as Subordination Agent, Wilmington Trust Company, as Loan Trustee, and Wilmington Trust Company, in its individual capacity as set forth therein

(b) Indenture and Security Agreement (N144FE), dated as of August 13, 2020, between Federal Express Corporation and Wilmington Trust Company, as Loan Trustee

5. (N151FE)

(a) Participation Agreement (N151FE), dated as of August 13, 2020 among Federal Express Corporation, Wilmington Trust Company, as Pass Through Trustee under the Pass Through Trust Agreements, Wilmington Trust Company, as Subordination Agent, Wilmington Trust Company, as Loan Trustee, and Wilmington Trust Company, in its individual capacity as set forth therein

(b) Indenture and Security Agreement (N151FE), dated as of August 13, 2020, between Federal Express Corporation and Wilmington Trust Company, as Loan Trustee

6. (N153FE)

(a) Participation Agreement (N153FE), dated as of August 13, 2020 among Federal Express Corporation, Wilmington Trust Company, as Pass Through Trustee under the Pass Through Trust Agreements, Wilmington Trust Company, as Subordination Agent, Wilmington Trust Company, as Loan Trustee, and Wilmington Trust Company, in its individual capacity as set forth therein

(b) Indenture and Security Agreement (N153FE), dated as of August 13, 2020, between Federal Express Corporation and Wilmington Trust Company, as Loan Trustee

7. (N155FE)

(a) Participation Agreement (N155FE), dated as of August 13, 2020 among Federal Express Corporation, Wilmington Trust Company, as Pass Through Trustee under the Pass Through Trust Agreements, Wilmington Trust Company, as Subordination Agent, Wilmington Trust Company, as Loan Trustee, and Wilmington Trust Company, in its individual capacity as set forth therein

(b) Indenture and Security Agreement (N155FE), dated as of August 13, 2020, between Federal Express Corporation and Wilmington Trust Company, as Loan Trustee

8. (N168FE)

(a) Participation Agreement (N168FE), dated as of August 13, 2020 among Federal Express Corporation, Wilmington Trust Company, as Pass Through Trustee under the Pass Through Trust Agreements, Wilmington Trust Company, as Subordination Agent, Wilmington Trust Company, as Loan Trustee, and Wilmington Trust Company, in its individual capacity as set forth therein

(b) Indenture and Security Agreement (N168FE), dated as of August 13, 2020, between Federal Express Corporation and Wilmington Trust Company, as Loan Trustee

9. (N172FE)

(a) Participation Agreement (N172FE), dated as of August 13, 2020 among Federal Express Corporation, Wilmington Trust Company, as Pass Through Trustee under the Pass Through Trust Agreements, Wilmington Trust Company, as Subordination Agent, Wilmington Trust Company, as Loan Trustee, and Wilmington Trust Company, in its individual capacity as set forth therein

(b) Indenture and Security Agreement (N172FE), dated as of August 13, 2020, between Federal Express Corporation and Wilmington Trust Company, as Loan Trustee

10. (N180FE)

(a) Participation Agreement (N180FE), dated as of August 13, 2020 among Federal Express Corporation, Wilmington Trust Company, as Pass Through Trustee under the Pass Through Trust Agreements, Wilmington Trust Company, as Subordination Agent, Wilmington Trust Company, as Loan Trustee, and Wilmington Trust Company, in its individual capacity as set forth therein

(b) Indenture and Security Agreement (N180FE), dated as of August 13, 2020, between Federal Express Corporation and Wilmington Trust Company, as Loan Trustee

11. (N183FE)

(a) Participation Agreement (N183FE), dated as of August 13, 2020 among Federal Express Corporation, Wilmington Trust Company, as Pass Through Trustee under the Pass Through Trust Agreements, Wilmington Trust Company, as Subordination Agent, Wilmington Trust Company, as Loan Trustee, and Wilmington Trust Company, in its individual capacity as set forth therein

(b) Indenture and Security Agreement (N183FE), dated as of August 13, 2020, between Federal Express Corporation and Wilmington Trust Company, as Loan Trustee

12. (N184FE)

(a) Participation Agreement (N184FE), dated as of August 13, 2020 among Federal Express Corporation, Wilmington Trust Company, as Pass Through Trustee under the Pass Through Trust Agreements, Wilmington Trust Company, as Subordination Agent, Wilmington Trust Company, as Loan Trustee, and Wilmington Trust Company, in its individual capacity as set forth therein

(b) Indenture and Security Agreement (N184FE), dated as of August 13, 2020, between Federal Express Corporation and Wilmington Trust Company, as Loan Trustee

Exhibit 99.2

SCHEDULE II

The following documents applicable to the Boeing 777F Aircraft bearing Registration No. N869FD (hereinafter collectively referred to as the "N869FD Documents") have been filed: (a) Participation Agreement (N869FD), dated as of August 13, 2020 among Federal Express Corporation, Wilmington Trust Company, as Pass Through Trustee under the Pass Through Trust Agreements, Wilmington Trust Company, as Subordination Agent, Wilmington Trust Company, as Loan Trustee, and Wilmington Trust Company, in its individual capacity as set forth therein (filed as Exhibit 4.9) and (b) Indenture and Security Agreement (N869FD), dated as of August 13, 2020, between Federal Express Corporation and Wilmington Trust Company, as Loan Trustee (filed as Exhibit 4.10).

The corresponding documents with respect to the other Aircraft listed below are substantially identical in all material respects to the N869FD Documents, with the following exceptions: (1) conforming changes have been made to reflect the appropriate United States registration number of the aircraft (i.e., N897FD) and the appropriate manufacturer's serial number of the airframe (i.e., 42705); and (2) the descriptions, including original principal amount and amortization profile, of the equipment notes set forth in, as applicable, Schedule I to the Participation Agreement and Schedule I to the Indenture differ.

1. (N897FD)

(a) Participation Agreement (N897FD), dated as of August 13, 2020 among Federal Express Corporation, Wilmington Trust Company, as Pass Through Trustee under the Pass Through Trust Agreements, Wilmington Trust Company, as Subordination Agent, Wilmington Trust Company, as Loan Trustee, and Wilmington Trust Company, in its individual capacity as set forth therein

(b) Indenture and Security Agreement (N897FD), dated as of August 13, 2020, between Federal Express Corporation and Wilmington Trust Company, as Loan Trustee

2. (N877FD)

(a) Participation Agreement (N877FD), dated as of August 13, 2020 among Federal Express Corporation, Wilmington Trust Company, as Pass Through Trustee under the Pass Through Trust Agreements, Wilmington Trust Company, as Subordination Agent, Wilmington Trust Company, as Loan Trustee, and Wilmington Trust Company, in its individual capacity as set forth therein

(b) Indenture and Security Agreement (N877FD), dated as of August 13, 2020, between Federal Express Corporation and Wilmington Trust Company, as Loan Trustee

3. (N891FD)

(a) Participation Agreement (N891FD), dated as of August 13, 2020 among Federal Express Corporation, Wilmington Trust Company, as Pass Through Trustee under the Pass Through Trust Agreements, Wilmington Trust Company, as Subordination Agent, Wilmington Trust Company, as Loan Trustee, and Wilmington Trust Company, in its individual capacity as set forth therein

(b) Indenture and Security Agreement (N891FD), dated as of August 13, 2020, between Federal Express Corporation and Wilmington Trust Company, as Loan Trustee

4. (N876FD)

(a) Participation Agreement (N876FD), dated as of August 13, 2020 among Federal Express Corporation, Wilmington Trust Company, as Pass Through Trustee under the Pass Through Trust Agreements, Wilmington Trust Company, as Subordination Agent, Wilmington Trust Company, as Loan Trustee, and Wilmington Trust Company, in its individual capacity as set forth therein

(b) Indenture and Security Agreement (N876FD), dated as of August 13, 2020, between Federal Express Corporation and Wilmington Trust Company, as Loan Trustee

5. (N845FD)

(a) Participation Agreement (N845FD), dated as of August 13, 2020 among Federal Express Corporation, Wilmington Trust Company, as Pass Through Trustee under the Pass Through Trust Agreements, Wilmington Trust Company, as Subordination Agent, Wilmington Trust Company, as Loan Trustee, and Wilmington Trust Company, in its individual capacity as set forth therein

(b) Indenture and Security Agreement (N845FD), dated as of August 13, 2020, between Federal Express Corporation and Wilmington Trust Company, as Loan Trustee