

CONSENT SOLICITATION STATEMENT

AIRCRAFT FINANCE TRUST

Solicitation of Consents from Holders of Notes Issued by Aircraft Finance Trust

THE CONSENTS MUST BE GIVEN BY NOTEHOLDERS SO AS TO BE RECEIVED BY GLOBAL RESTRUCTURING SERVICES, INC., AS TABULATION AGENT (THE "TABULATION AGENT") AS SOON AS POSSIBLE BUT NOT LATER THAN 5:00 P.M., NEW YORK CITY TIME, ON JUNE 14, 2011 UNLESS AFT, IN ITS SOLE DISCRETION BY SEPARATE NOTICE, EXTENDS THE PERIOD DURING WHICH THE CONSENT SOLICITATION IS OPEN (THE "EXPIRATION DATE"). A CONSENT, ONCE GIVEN, MAY NOT BE REVOKED.

Aircraft Finance Trust, a Delaware statutory trust ("AFT"), through this Consent Solicitation Statement (as it may be supplemented and amended from time to time, the "Consent Solicitation Statement") hereby solicits (such solicitation is hereinafter referred to as the "Consent Solicitation") consents (each, a "Consent" and, collectively, "Consents") of the holders of Class A-1 Notes, Class A-2 Notes, Class B Notes, Class C Notes and Class D Notes (collectively, the "Notes"), which Notes were issued pursuant to the terms of the Indenture, dated as of May 5, 1999 (the "Indenture"), among AFT, as the issuer, Phoenix American Financial Services, Inc. (formerly known as ReSource/Phoenix, Inc.), as the administrative agent (the "Administrative Agent"), and Deutsche Bank Trust Company Americas (formerly known as Bankers Trust Company), as trustee (the "Indenture Trustee"), for amendments to (i) Section 5.02(g) of the Indenture, which limits aircraft dispositions, (ii) Section 5.03(a) of the Indenture, which provides for certain concentration limits and prohibited countries with respect to AFT's lessees, (iii) Section 5.03(h) of the Indenture, which sets certain thresholds for hull and other aircraft insurance, (iv) certain provisions of the Indenture requiring Rating Agency Confirmation of certain actions by AFT, (v) the definition of Expenses in the Indenture insofar as it limits the ability of AFT to pay the upfront costs of its hedging through the use of interest rate caps and reserve for anticipated maintenance and other aircraft related expenses, and (vi) certain other provisions of the Indenture in order to effectuate the foregoing (collectively, the "Proposed Amendments"). The Requisite Consents (as defined below) are required to approve the Proposed Amendments. If approved, the Proposed Amendments would, as described more fully below, amend the Indenture to remove certain limitations on aircraft dispositions and portfolio management, reduce insurance related expenses and permit AFT to more effectively reserve for anticipated operating, hedging and other expenses.

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

The Proposed Amendments require the consents of the Holders of at least a majority of the Outstanding Principal Balance of the Notes, voting as a single class (the "Requisite Consents"). As of May 16, 2011, the most recent Payment Date, the Outstanding Principal Balance of the Notes was \$699,562,974.40. No fees will be paid by AFT to the Holders of any of the Notes in connection with the Consent Solicitation.

The aggregate Outstanding Principal Balance of each Class of the Notes as of May 16, 2011 and the related CUSIP numbers and ISIN numbers are set forth below:

CUSIP No.	ISIN No.	Description	Original Principal Amount	Aggregate Outstanding Principal Balance (on May 16, 2011)	% of Aggregate Outstanding Principal Balance
009341AL2	US009341AL20	Class A-1 Notes	\$512,500,000	\$455,772,100.72	65.15%
009341AM0	US009341AM03/ U01002AB7	Class A-2 Notes	\$400,000,000	\$14,252,741.85	2.04%
009341AN8	US009341AN85	Class B Notes	\$126,500,000	\$99,994,826.16	14.29%
009341AP3	US009341AP34	Class C Notes	\$106,000,000	\$71,070,700.35	10.16%
N/A	N/A	Class D Notes	\$64,000,000	\$58,472,605.32	8.36%
TOTAL:			\$1,209,000,000	\$699,562,974.40	100.00%

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

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

The Solicitation Agent for the Consent Solicitation is:

JEFFERIES

May 17, 2011

Only the Holders who owned the Notes as of 5:00 p.m., New York time, on May 16, 2011 (the “Consent Record Date”) are eligible to consent to the Proposed Amendments.

The Class A-1 Notes, Class A-2 Notes, Class B Notes and Class C Notes were originally issued in the form of one or more permanent global notes in registered form in minimum denominations of \$100,000 and integral multiples of \$1,000 in excess thereof, registered in the name of the nominee of The Depository Trust Company (“DTC”) and deposited with Deutsche Bank Trust Company Americas, as custodian for DTC (the “DTC Custodian”). DTC is expected to grant an omnibus proxy authorizing each DTC participant set forth in the position listing of DTC as of the Consent Record Date (such DTC participants, collectively, the “DTC Holders”) to execute the Consent Form attached hereto (the “Consent Form”) in the name of DTC or its nominee. Notes held through Euroclear S.A./N.V., as operator of the Euroclear System (“Euroclear”), and Clearstream Banking, société anonyme (“Clearstream”), are held by their respective DTC Holders. Therefore, DTC Holders, rather than DTC or its nominee, will be entitled to consent, and the term “Holders” used in this Consent Solicitation Statement includes DTC Holders.

The Class D Notes were originally issued in the form of permanent certificated notes in registered form, in minimum denominations of \$1,000,000 and integral multiples of \$100,000 in excess thereof, and registered in the name of the Holders thereof. Therefore, Holders of the Class D Notes are directly entitled to consent to the Proposed Amendments by completing and signing the Consent Form and delivering it to the Tabulation Agent prior to the Expiration Date.

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

A Consent will not be valid unless a duly executed Consent Form (and proxy, if required) is delivered to the Tabulation Agent at the address on the back cover page of this Consent Solicitation Statement prior to 5:00 p.m., New York City time, on June 14, 2011 (unless AFT, in its sole discretion by separate notice, extends the Expiration Date), in accordance with the instructions in this Consent Solicitation Statement and the accompanying Consent Form. Delivery of Consent Forms to DTC will not constitute delivery to the Tabulation Agent.

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

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

The information contained in this Consent Solicitation Statement is based upon information provided solely by AFT. None of the Indenture Trustee, the Servicer, the Administrative Agent, the Tabulation Agent, the Information Agent or the Solicitation Agent has independently verified or makes any representations or warranty, express or implied, or assumes any responsibility, for the accuracy or adequacy of the information (financial, legal or otherwise) provided by AFT contained herein, nor have they made any recommendations as to whether Holders should give the Consents requested herein. Nothing in this Consent Solicitation Statement is, or may be relied upon as, a promise or representation by Jefferies as to the past, present or future. AFT have summarized certain documents and other information in a manner believed to be accurate, but we refer you to the actual documents for a more complete understanding of what we discuss in this document. In making a decision whether or not to participate in the Consent Solicitation, you must rely on your own examination of our business and the terms of the Consent Solicitation, including the merits and risks involved.

It is expressly understood that the Indenture Trustee will conclusively rely on the results of the Consent Solicitation as reported by the Tabulation Agent, and the Indenture Trustee will have no liability in connection therewith.

No person has been authorized to give any information or make any representations in connection with the Consent Solicitation other than those contained in this Consent Solicitation Statement or in the accompanying Consent Form and, if given or made, such information or representations must not be relied upon as having been authorized by AFT, the Indenture Trustee, the Servicer, the Tabulation Agent, Information Agent, the Administrative Agent, the Solicitation Agent or any other person. The statements made in this Consent Solicitation Statement are made as of its date, and the delivery of this Consent Solicitation Statement will not under any circumstances create any implication that the information contained in this Consent Solicitation Statement is correct as of any time following the date hereof or that there has been no change in the affairs of AFT since the date hereof.

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

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

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

SUMMARY

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

We hereby solicit Consents, upon the terms and subject to the conditions set forth in this Consent Solicitation Statement to the Proposed Amendments. The Consent Solicitation is being made to all registered Holders as shown in the records maintained by the Indenture Trustee on the Consent Record Date, and their duly appointed proxies, including DTC, Euroclear and Clearstream or their respective nominees for the account of their participants. Consequently, only DTC Holders (the banks, brokers, custodians, nominees and other financial institutions who hold electronic book-entry interests in the Notes (“Book-Entry Interests”)) of the Class A-1 Notes, Class A-2 Notes, Class B Notes and Class C Notes, as of the Consent Record Date, are eligible to give Consents by completing the attached Consent Form and delivering such form to the Tabulation Agent as provided on the Consent Form and in this Consent Solicitation Statement. An ultimate beneficial holder of the Notes as of the Consent Record Date must instruct the relevant Holder through which it holds its beneficial interest to give a Consent by completing the attached Beneficial Holder Consent Form or other form provided by the relevant Holder and delivering such form in accordance with the rules and practices established by DTC, Euroclear or Clearstream and the relevant Holder, as applicable (the “Applicable Procedures”).

The Class D Notes were originally issued in the form of permanent certificated notes and registered in the name of the Holders thereof. Therefore, Holders of the Class D Notes are directly entitled to consent to the Proposed Amendments by completing and signing the Consent Form and delivering it to the Tabulation Agent prior to the Expiration Date.

- Proposed Amendments for which Consents are Sought. The Holders are being asked to consent to amendments to the Indenture which would:
- (i) allow us to sell or otherwise dispose of aircraft based upon a Controlling Trustees’ Resolution without having to comply with the current restrictions on such sales and dispositions;
 - (ii) allow the Controlling Trustees to set from time to time the concentration limits and permitted countries for lessees without having to comply with the current geographical, lessee and other restrictions;
 - (iii) reduce the cost of hull and other insurance to be at least equal to the Adjusted Base Value (as defined in the Indenture) of the aircraft rather than the current Note Target Prices which reflect both such Adjusted Base Value and the outstanding balance of the Notes;
 - (iv) eliminate the requirement that we obtain Rating Agency Confirmations prior to taking certain actions under the Indenture;
 - (v) permit us to establish reserves for expenses

anticipated to be incurred during the next six months and provide us with the flexibility to incur certain hedging expenses during the period between Payment Dates; and

- (vi) make certain other changes of a technical or conforming nature to effect the foregoing.

For the reasons described in this Consent Solicitation Statement, the Controlling Trustees of AFT (the "Trustees"), having consulted with the Administrative Agent, the capital markets advisor and its other advisors, recommend that the Noteholders consent to the Proposed Amendments.

Purpose of the Proposed Amendments.....	The overall purpose of the Proposed Amendments (as described more fully below) is to (i) provide AFT with the flexibility to manage the portfolio in a manner that better reflects the current market and other conditions affecting the current portfolio, (ii) provide AFT with greater flexibility to take advantage of market opportunities to sell aircraft, (iii) reduce the cost of hull/repossession (political risk insurance) insurance, hedging and other costs of AFT, (iv) eliminate the time delay and costs associated with obtaining Rating Agency Confirmation of certain actions by AFT, (v) allow AFT to better reserve for future anticipated expenses given its current financial condition and cash flow and (vi) otherwise amend the Indenture to effectuate the foregoing.
Rating Agencies	While we believe that the Proposed Amendments are in the best interests of AFT and the Noteholders and we do not believe that the implementation of the Proposed Amendments is likely to cause a downgrade of the ratings of any of the rated Notes, there can be no assurances that the Rating Agencies will not seek to downgrade one or more Classes of the Notes as a result of the implementation of any of the Proposed Amendments. AFT intends to continue to provide the Ratings Agencies with information that is necessary for them to maintain their ratings on the Notes.
Consent Record Date	5:00 p.m., New York City time, on May 16, 2011.
Euroclear/Clearstream Cut-off Date.....	Notes held through Euroclear and Clearstream are held through their respective DTC Holders. It is recommended that persons who hold the Notes through Euroclear and Clearstream submit their instructions regarding the Consent Solicitation at least two Business Days prior to the Expiration Date so that instructions may be received in a timely manner.

Expiration Date	5:00 p.m., New York City time, on June 14, 2011, unless AFT, in its sole discretion by separate notice, extends the period during which the Consent Solicitation is open to another date. The Consents must be given by Holders so as to be received by the Tabulation Agent as soon as possible but not later than 5:00 p.m., New York City time, on the Expiration Date.
Termination of the Consent Solicitation	AFT expressly reserves the right in its sole discretion to terminate the Consent Solicitation at any time prior to the Expiration Date, for any reason. If AFT terminates the Consent Solicitation, any Consents received prior to such termination shall be void.
Requisite Consents	The Requisite Consents for the Proposed Amendments are the Consents of the Holders of at least a majority of the Outstanding Principal Balance of the Notes, voting as a single class. As of May 16, 2011, the Outstanding Principal Balance of the Notes was \$699,562,974.40.
Consequences to Non-Consenting Holders	If the Proposed Amendments are adopted, each Holder of the Notes and all subsequent holders of the Notes will be bound by the Proposed Amendments whether or not such Holder has delivered a Consent.
Consent Procedures	Consent Forms and any required proxies may be sent by registered or certified mail, hand delivery, overnight courier or facsimile (confirmed by telephone), and must be delivered to the Tabulation Agent at the address or fax number (and telephone number for confirmation) set forth on the back cover page of this Consent Solicitation Statement. Delivery of Consent Forms to DTC will not constitute delivery to the Tabulation Agent. Only duly executed Consent Forms and any required proxies received by the Tabulation Agent prior to 5:00 p.m., New York City time, on the Expiration Date will count towards determining whether the Requisite Consents have been received.

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

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

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

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

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Tabulation and Information Agent Global Restructuring Services, Inc.

Call direct: +1- 212-644-1772

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Attn: Mr. John Baxter

THE PROPOSED AMENDMENTS

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

Background, Description of the Proposed Amendments and Recommendation

The overall purpose of the Proposed Amendments (as described more fully below) is to (i) provide AFT with the flexibility to manage the portfolio in a manner that better reflects the current market and other conditions affecting the current portfolio, (ii) provide AFT with greater flexibility to take advantage of market opportunities to sell aircraft, (iii) reduce the cost of hull/repossession (political risk insurance) insurance, hedging and other costs of AFT, (iv) eliminate the time delay and costs associated with obtaining Rating Agency Confirmation of certain actions by AFT, (v) allow AFT to better reserve for future anticipated expenses given its current financial condition and cash flow and (vi) otherwise amend the Indenture to effectuate the foregoing.

Background

Since the issuance of the Notes in May 1999, a number of material changes have affected AFT, including changes in (i) the aircraft industry and the capital markets in general; (ii) the maintenance and operational costs associated with the aircraft in the portfolio; (iii) the types and ages of aircraft remaining in our portfolio; (iv) the location, financial wherewithal and other factors relating to the lessees and potential future lessees of aircraft as well as the demand for certain aircraft types and configurations; (v) the markets for sales, consignments or other dispositions of aircraft; (vi) the costs and availability of hedging; (vii) the current ratings of the Notes and increased time and cost of obtaining rating agency confirmations; and (viii) our cash flow, liquidity and financial position.

In order to provide us with the appropriate flexibility to manage our portfolio and financial resources as well as reduce some of our expenses, AFT is soliciting Noteholder consent to changes to the Indenture (and related documents) (i) allowing us to sell, consign or otherwise dispose of aircraft without the restrictions thereon currently in the Indenture; (ii) permitting us to lease our aircraft without the current geographic, lessee and regional concentration limits and prohibited jurisdictions; (iii) reducing the required amount of hull coverage insurance to better reflect the current values of the aircraft and modify the repossession/ political risk insurance standards; (iv) allowing accrual of maintenance and other reserves for operational expenses for six months; (v) allowing better timing for the execution of hedging through interest rate caps or similar derivatives; and (vi) eliminating the need for rating agency confirmation of some of the above and other actions.

(i) Proposed Amendments to Restrictions on Sales and Other Dispositions of Aircraft

The Proposed Amendments to the limitations on sales and other dispositions of aircraft set forth in Section 5.02(g) of the Indenture will permit the Controlling Trustees to effectuate such transactions (i) without regard to the current 10% limitation on annual sales and dispositions at sales prices below the Note Target Price, (ii) without regard to the effect on concentration limits, and (iii) without the need for a Rating Agency Confirmation. AFT believes that the existing limitations are hindering, and will continue in the future to hinder, its ability to pursue commercially reasonable sales and dispositions of the aircraft currently in its portfolio. AFT sold or otherwise disposed of approximately 1.77% and 4.75% of the aggregate Adjusted Portfolio Value of its portfolio in each of calendar 2009 and 2010. No aircraft were sold in 2008. As of April 30, 2011, AFT has disposed, or committed to dispose, of approximately 9.85% of the remaining portfolio and, if the pending transactions are consummated, will not be permitted to sell or otherwise dispose of any additional aircraft in 2011. AFT believes that in 2011 and thereafter the current restrictions will prohibit it from managing its portfolio in a commercially reasonable manner unless the Indenture is amended.

(ii) Proposed Amendments to Concentration Limits and Prohibited Countries

The Proposed Amendments to the concentration limits (relating to lessees, countries and regions) and prohibited country provisions set forth in Section 5.03(a) of the Indenture will remove the requirement for Rating Agency Confirmation while retaining the requirement for a Controlling Trustees' Resolution in order to give AFT better access to potential lessees for the aircraft remaining in its portfolio. Since inception, AFT has always received Rating Agency Confirmation to requested changes to these limits. Recently, the cost of obtaining such approvals has risen substantially and the need to get such approval prior to marketing AFT's aircraft has put it at a competitive disadvantage. In addition, the restrictions on countries in which such aircraft may be leased are more restrictive than other more recent securitizations, do not reflect current practices by other aircraft owners for similar aircraft, have not been updated to reflect local changes in law that improve lessor protections and have resulted in AFT not being able to pursue potential lessees for some of its aircraft that are difficult to place because they are out of production or demand.

(iii) Proposed Amendments to Hull Insurance and Other Insurance Provisions

The Proposed Amendments to the insurance requirements of Section 5.03(h) of the Indenture will reduce AFT's cost of hull and political risk insurance ("PRI"). In 2010, AFT incurred expenses in the aggregate of approximately \$0.4 million for Hull/Liability/Excess Liability/Contingent/Hull Total Loss Only ("TLO")/Hull War/Excess War Liability/Deductible insurance for the portfolio and incurred additional expenses associated with costs for Repossession/PRI Insurance for the portfolio. The current Indenture provisions require hull insurance based on Note Target Prices for each aircraft. The Hull/War/Hull TLO and Repossession/PRI costs are directly linked to the Note Target Price. As of December 31, 2010, the aggregate Note Target Price for AFT's aircraft was approximately \$886.9 million. However, the aggregate Adjusted Base Value of our aircraft determined in accordance with the Indenture was \$394.6 million. On average, the excess was over \$8 million per aircraft and, for some of the older aircraft, the Note Target Price was more than double the Adjusted Base Value. AFT believes that the Note Target Price is no longer an economically appropriate measure of AFT's economic interest in its aircraft and that maintaining hull insurance and Repossession/PRI at these levels results in higher costs to AFT than is commercially reasonable.

The requirement in Section 5.03(h) of the Indenture that we maintain hull insurance and Repossession/PRI for each aircraft in an amount at least equal to the Note Target Price for such aircraft results in a level of coverage that makes the purchase of coverage in excess of "lease agreed" values expensive for us. Lessees are unwilling to pay premiums for insurance at levels in excess of market and, as a result, we bear the cost of any excess insurance. The annual cost to us of premiums for the additional TLO coverage is currently approximately \$275,000 and we expect that this amount would increase if we made a claim under the TLO policy. Should any Aircraft exceed the maximum TLO amount per aircraft (currently \$27.5 million) under our policy, we expect that a separate policy would be needed for that aircraft. Coverage at the currently required level may not be available in the insurance market. In addition, key insurance markets are withdrawing from providing TLO cover and we were recently advised that our lead insurer on our fleet policy has declined to provide TLO cover where the TLO amount is significantly disproportionate to the market value of the related aircraft. The Proposed Amendments would replace the references to Note Target Price as the required minimum level of hull insurance and Repossession/PRI with a requirement for coverage at least equal to the most recent Adjusted Base Value of each Aircraft. This level of coverage should enable the requisite insurance to be obtained in the insurance market and significantly reduce the amount of TLO insurance required, thus significantly lowering our costs.

(iv) Proposed Amendments to Definition of Expenses

The Proposed Amendments will clarify and broaden the definition of Expenses and provisions relating to interim withdrawals from the Collections Account under Section 3.04 of the Indenture so that AFT will have the ability to pay the upfront costs of its hedging through the use of interest rate caps or similar derivatives and reserve for up to six months of anticipated maintenance and other aircraft related expenses. In the past, AFT has effected its interest rate hedges through swap agreements, which required periodic payments by the counterparties over the life of the swap. However, AFT currently has available to it on commercially reasonable terms hedging through interest rate caps, which require an up-front payment and no further periodic payments from AFT. The

Indenture does not allow for payment of such upfront payments other than on Payment Dates and, therefore, restricts AFT from taking advantage of best-execution pricing in the market for its interest rate hedging through caps and similar derivatives. Swap payments (and cap payments) are *pari passu* with interest on the Senior Class of Notes. The Proposed Amendments would preserve the *pari passu* nature of these payments while giving AFT the flexibility to time the purchase of these caps by allowing AFT to purchase caps on any date so long as the Administrative Agent determines that AFT would have sufficient cash and liquidity reserves so that interest payments could be made in full on the Senior Class of Notes on the following Payment Date. Similarly, Expenses would include reserving for anticipated aircraft maintenance and operating costs for the next six months (currently only one month is permitted), subject to the release of any such reserves to the extent that the Administrative Agent determines that they are necessary to pay in full interest on the Senior Class of Notes.

(v) Proposed Amendments to Eliminate requirement of Rating Agency Confirmation

The Proposed Amendments will eliminate the requirements in the Indenture to obtain Rating Agency Confirmation for certain actions, including, without limitation, (i) in connection with the sale or other disposition of aircraft and any encumbrances incurred in connection therewith, (ii) adjusting the Concentration Limits, Repossession Guidelines and list of Prohibited Countries, (iii) adjusting the size of the Senior, Mezzanine and Junior Note Blockage Amounts, (iv) making alternative Permitted Account Investments, (v) adjusting the required amounts of hull insurance and Repossession/PRI, and (vi) fixing the spread between third party lessee and AFT group member rents under head leases. Since the Notes were first issued in May 1999, AFT has procured from time to time Rating Agency Confirmations for changes to the Concentration Limits and for various aircraft sales. During that time, AFT has not encountered an incident where such confirmations have been denied. However, as the portfolio of AFT continues to age, decrease in size, contain a different mixture of aircraft types and the demand and financial wherewithal of potential lessees for various types of aircraft change and the financial condition of AFT changes, we expect that requests for Rating Agency Confirmations will become more frequent in number and also expect that the cost to AFT of obtaining such Rating Agency Confirmations will continue to rise. While the Rating Agencies have generally been timely in their response to requests from AFT, the need to get prior Rating Agency Confirmation has put us at a competitive disadvantage compared to other aircraft owners and sellers who are not subject to this type of restriction. Attempts by AFT to get the Rating Agencies to pre-approve certain types of sales or dispositions or develop dynamic concentration limits have not been successful thus far. As a result, AFT believes that a Controlling Trustees' Resolution, adopted after consultation with its service providers where and to the extent appropriate, will provide AFT more flexibility to act on a timely basis and manage our portfolio while allowing AFT to continue to act in the best interests of its stakeholders. AFT will provide the Rating Agencies with notice of actions that formerly required Rating Agency Confirmations.

(vi) Proposed Amendments to Effect the Foregoing

The Proposed Amendments will include certain other changes of a technical or conforming nature to the Indenture, the Annexes and Schedules thereto, the Servicing Agreement and any other documents to which AFT is a party that are necessary, appropriate or ancillary to effect the changes discussed above.

(vii) Recommendation

For the reasons described in this Consent Solicitation Statement, the Trustees, having consulted with the Administrative Agent, the capital markets advisor and its other advisors, recommend that the Noteholders consent to the Proposed Amendments.

While we believe that the Proposed Amendments are in the best interests of AFT and the Noteholders and we do not believe that the implementation of the Proposed Amendments is likely to cause a downgrade of the ratings of any of the Notes, there can be no assurances that the Rating Agencies will not seek to downgrade one or more Classes of the Notes as a result of the implementation of any of the Proposed Amendments.

THE CONSENT SOLICITATION

General

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

The Consent Solicitation will expire at 5:00 p.m., New York City time, on June 14, 2011, unless extended by us. Consents may not be revoked once given.

Global notes representing the Class A-1 Notes, Class A-2 Notes, Class B Notes and Class C Notes currently held through DTC, Euroclear and Clearstream are registered in the name of DTC (or its nominee) and deposited with the DTC Custodian. Each of DTC, Euroclear and Clearstream have issued Book-Entry Interests to the banks, brokers, custodians, nominees and other financial institutions, as DTC Holders, who hold those Book-Entry Interests on behalf of their customers, the ultimate beneficial holders of interests in the Notes.

The Class D Notes were originally issued in the form of permanent certificated notes in registered form in minimum denominations of \$1,000,000 and integral multiples of \$100,000 in excess thereof, and registered in the name of the Holders thereof. Therefore, Holders of the Class D Notes are directly entitled to consent to the Proposed Amendments by completing and signing the Consent Form and delivering it to the Tabulation Agent prior to the Expiration Date.

Only the Holders as of 5:00 p.m., New York City time, on May 16, 2011, which is the Consent Record Date, are eligible to give the Consents and instructions set forth below by completing the attached Consent Form and delivering such Consent Form to the Tabulation Agent in accordance with the instructions contained in the Consent Form and this Consent Solicitation Statement.

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

Beneficial Holders desiring to complete their Beneficial Holder Consent Form in respect of their interests in the Notes pursuant to this Consent Solicitation Statement should allow sufficient time for completion of the Applicable Procedures during the normal business hours of DTC, Euroclear or Clearstream or the relevant custodian, broker, dealer or other nominee Holder through which it holds its interest, as applicable, within the periods specified by this Consent Solicitation Statement.

A Consent will not be valid unless a duly executed Consent Form (and proxy, if required) is delivered to the Tabulation Agent at the address on the back cover page of this Consent Solicitation Statement prior to 5:00 p.m., New York City time, on the Expiration Date in accordance with the instructions in this Consent Solicitation Statement and the accompanying Consent Form. Consent Forms must be sent to the Tabulation Agent at the address found on the back cover page of this Consent Solicitation Statement. Only the Consent Form (and proxy, if required) should be sent to the Tabulation Agent. Delivery of Consent Forms to DTC will not constitute delivery to the Tabulation Agent.

Consent Fee

There will be no consent fee paid by us to the Holders of any of the Notes in connection with obtaining their Consents to the Proposed Amendments described in this Consent Solicitation Statement.

Consent Procedures

Form Requirements

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

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

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

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

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

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

Delivery Requirements

Consent Forms and any required proxies may be sent by registered or certified mail, hand delivery, overnight courier or facsimile (confirmed by telephone). Consent Forms and any required proxies must be delivered to the Tabulation Agent at the address or fax number (and telephone number for confirmation) listed in this Consent Solicitation Statement and Consent Form, not to us, the Solicitation Agent, the Information Agent or the Indenture Trustee. **Only duly executed Consent Forms and any required proxies received by the Tabulation**

Agent prior to 5:00 p.m., New York City time on the Expiration Date will count towards determining whether the Requisite Consents have been received. Delivery of Consent Forms to DTC will not constitute delivery to the Tabulation Agent.

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

Incomplete Forms, Interpretation of Forms and Other Documents

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

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

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

Effective Date

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

If the Requisite Consents are received, the Indenture Trustee will, as soon as practicable after the Expiration Date, execute and deliver a supplement to the Indenture (the "Indenture Supplement") together with any other documents related thereto necessary to effect the Proposed Amendments.

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

As soon as practicable after the Proposed Amendments become effective, AFT will mail to the Holders and the Rating Agencies a notice briefly describing the amendments. Any failure of AFT to mail such notice, or any defect therein, shall not, however, in any way impair the validity of the amendments. AFT will post the final form of the Indenture on AFT's website promptly after approval thereof by Noteholders.

Requisite Consents

The Requisite Consents for the Proposed Amendments are the consents of the Holders of at least a majority of the Outstanding Principal Balance of the Notes, voting as a single class. As of May 16, 2011, the Outstanding Principal Balance of the Notes was \$699,562,974.40.

Extensions; Amendments; Termination

We reserve the right to extend the Consent Solicitation at any time and from time to time by giving oral (confirmed in writing) or written notice to the Indenture Trustee, the Solicitation Agent and DTC Custodian not later than 5:00 p.m., New York City time, on or before the next Business Day after the previously announced Expiration Date. Any such extension will be followed as promptly as practicable by notice thereof by press release, posting on our website or other public announcement (or by written notice to the Holders of the Notes) of the new Expiration Date. In the event of any such extension of the applicable Expiration Date, all Consents shall remain valid until the date and time to which the Expiration Date is so extended. An extension of the Expiration Date shall be effective if we give oral or written notice thereof to the Tabulation Agent not later than 9:00 a.m., New York City time, followed by a press release, posting on our website or other public announcement not later than 2:00 p.m., New York City time, on the immediately following Business Day. We may extend the Consent Solicitation on a daily basis or for such specified period of time as we determine in our sole discretion.

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

We expressly reserve the right to modify, at any time or from time to time, the terms of the Consent Solicitation and the Proposed Amendments in any manner we deem necessary or advisable. We will not be obligated to deliver notice of such modification to the Holders of the Notes prior to 5:00 p.m., New York City time, on the Expiration Date. Consents given prior to such modifications will remain valid and effective and will constitute Consents to the Proposed Amendments, as so modified, provided that AFT has determined that the substance of such modified Proposed Amendments is consistent with that of the Proposed Amendments in respect of which the Consents were originally granted.

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

THE AGENTS

We have retained Jefferies as Solicitation Agent. In its role as Solicitation Agent, Jefferies will solicit Consents and will be available to respond to inquiries of the Holders.

In consideration of Jefferies acting as Solicitation Agent, we have agreed to pay Jefferies a customary fee for its services, plus reimbursement for its reasonable out-of-pocket expenses. We have also agreed to indemnify Jefferies for certain third-party claims that may arise in connection with this Consent Solicitation and any transaction described in this Consent Solicitation Statement and the accompanying materials.

Jefferies is a full-service broker-dealer that is engaged in making markets in the Notes on behalf of its customers. Accordingly, Jefferies may have a long or short position in the Notes at any time prior, during or after the Consent Solicitation process.

We have also agreed to pay the Administrative Agent a fee of \$25,000 in respect of its additional work in connection with the Consent Solicitation.

Global Restructuring Services, Inc. ("GRS") has been retained as both Tabulation Agent and Information Agent in connection with the Consent Solicitation. The Information Agent's exclusive duty is the distribution of this Consent Solicitation Statement to holders of Book-Entry Interests in the Notes. The Tabulation Agent will ensure an impartial tabulation of results given that the Solicitation Agent's fees are largely conditional on the success of this Consent Solicitation. GRS will receive a separate fee of \$12,500 for its services as well as reimbursement of its reasonable out-of-pocket expenses.

Any questions concerning the terms of the Consent Solicitation may be directed to the Solicitation Agent. Requests for additional copies of this Consent Solicitation Statement, the Consent Form and the Beneficial Holder Consent Form should be directed to the Information Agent, at the addresses and telephone numbers set forth on the attached Consent Form and the Beneficial Holder Consent Form.

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

EXPENSES

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

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

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

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

Aircraft Finance Trust

May 17, 2011

PROPOSED AMENDMENTS TO THE INDENTURE

Proposed text

The Sections, definitions and other provisions of the Indenture described above are proposed to be amended to read as set forth below (with additional conforming, clarifying and other changes to the Indenture and related documents to implement the Proposed Amendments to be made as described above). The final form of the Indenture will be posted on AFT's website, <http://www.aftreports.com>, promptly after approval thereof by Noteholders.

A. Section 5.02(g) of the Indenture

(g) Limitation on Aircraft Dispositions. The Issuer shall not, and shall not permit any Issuer Subsidiary to, sell, transfer or otherwise dispose of any Aircraft or any interest therein other than as provided in Section 4(e) of Schedule 2.02(a) of the Servicing Agreement ~~or such similar provision in the Additional Servicing Agreement.~~

Notwithstanding ~~anything herein to the foregoing contrary~~, the Issuer and any Issuer Subsidiary shall be permitted to sell, transfer or otherwise dispose of, directly or indirectly, (a) any Engine or Part ~~purchased on the date such Aircraft is acquired~~ or (b) one or more Aircraft or an interest therein (i) ~~pursuant to a Purchase Option or other agreements of a similar character existing on the Initial Closing Date or, with respect to any Substitute Aircraft or Additional Aircraft, on the Closing Date therefor,~~ (ii) within or among the Issuer and the Issuer Subsidiaries without limitation, and among the Issuer and/or any Issuer Subsidiary and any other Issuer Group Member; *provided* that no such sale, transfer or disposition shall be made other than to the Issuer or any Issuer Subsidiary if such sale, transfer or other disposition would materially adversely affect the Holders; ~~provided, further, that and unless~~ written notification shall have been given to each Rating Agency of such sale, transfer or disposition, (iii) ~~pursuant to any Aircraft Agreement, provided that such sale does not result in a Concentration Default and the net present value of the cash Net Sale Proceeds is not less than the Note Target Price,~~ (iv) ~~(ii)~~ pursuant to receipt of insurance proceeds in connection with an event of loss or (v) ~~(iii)~~ pursuant to an Aircraft Agreement ~~the net present value of the cash Net Sale Proceeds of which is less than the Note Target Price;~~ *provided* that (with respect to this clause (v)), (x) ~~in any one calendar year such sales do not exceed 10% of the Adjusted Portfolio Value as determined by the most recent Appraisal obtained for such calendar year,~~ (y) ~~(iii)~~ a Controlling Trustees' Resolution delivered to the Trustee confirms that such sales would not materially adversely affect the Holders and (z) ~~written notification thereof shall be given to each Rating Agency Confirmation is obtained or such sales do not result in a Concentration Default.~~

For the purpose of this Section 5.02(g), ~~the net present value of the cash Net Sale Proceeds of any sale, transfer or other disposition of any Aircraft means the present value of all payments received or to be received by the Issuer or any Issuer Subsidiary from the date of execution or option granting date, as the case may be, of the relevant Aircraft Agreement through and including the date of transfer of title to such Aircraft, discounted back to the date of execution or option granting date, as the case may be, of such Aircraft Agreement at the weighted-average cost of funds of the Issuer (based on the cost of funds represented by the Notes and taking into account any Swap Agreements).~~

The "Note Target Price" means, in respect of any Aircraft, an amount equal to 103% of the aggregate Outstanding Principal Balance of the Notes, together with any accrued but unpaid interest thereon and any related Swap Breakage Costs, allocable to such Aircraft on the date of the sale agreement or Purchase Option granting date, as the case may be. On any date, the Outstanding Principal Balance of Notes allocable to an Aircraft shall equal the product of

(i) (A) the Adjusted Base Value of such Aircraft divided by (B) the Adjusted Portfolio Value and (ii) the aggregate Outstanding Principal Balance of Notes, in each case on the most recent Payment Date.

"Aircraft Agreement" means any lease, sublease, conditional sale agreement, finance leases, hire purchase agreement or other agreement (other than an agreement relating to maintenance, modification or repairs) or any purchase option granted to a Person (other than a Purchase Option granted to an Issuer Group Member) to purchase an Aircraft, in each case pursuant to which any Person acquires or is entitled to acquire legal title, or the economic benefits of ownership of, such Aircraft.

~~"Net Sale Proceeds" means, with respect to any sale or other disposition of any assets, the aggregate amount of cash received or to be received from time to time (whether as initial or deferred consideration) by or on behalf of the seller in connection with such transaction after deducting therefrom (without duplication) (a) reasonable and customary brokerage commissions and other similar fees and commissions (including fees received by the Servicer under the Servicing Agreement or Additional Servicing Agreement, as applicable) and (b) the amount of taxes payable in connection with or as a result of such transaction, in each case to the extent, but only to the extent, that the amounts so deducted are, at the time of receipt of such cash, actually paid to a Person that is not an Affiliate of the seller and are properly attributable to such transaction or to the asset that is the subject thereof.~~

~~"Concentration Default" means an Event of Default under Section 5.03(a) hereof which would arise if effect were given to any sale, transfer or other disposition or any purchase or other acquisition pursuant to an Aircraft Agreement as of the date of such Aircraft Agreement regardless of whether such sale, transfer or other disposition or purchase or other acquisition is scheduled or expected to occur after the date of such Aircraft Agreement.~~

B. Section 5.03(a) of the Indenture

(a) Concentration Limits. ~~Without a Rating Agency Confirmation, a Controlling Trustees' Resolution approving such~~, the Issuer shall not permit any Issuer Subsidiary to lease or re-lease any Aircraft if entering into such proposed Lease would cause the Portfolio to exceed any of the Concentration Limits set forth in Exhibit E hereto (as such limits may be adjusted by the Issuer from time to time, ~~subject to a Rating Agency Confirmation by Controlling Trustees' Resolution, the "Concentration Limits" and written notification thereof shall be given to each Rating Agency and the Trustee~~); *provided* that the Issuer and any Issuer Subsidiary shall be entitled to renew or extend any Lease to the existing Lessee thereunder irrespective of the effect of such renewal or extension on the Concentration Limits. The Issuer shall not permit any Issuer Subsidiary to lease or re-lease any Aircraft to any Lessee located in, or as a result of which such Aircraft would be or would be permitted to be habitually operated, in a jurisdiction set forth in clause (a) of the Repossession Guidelines as set forth on Exhibit E hereto and as amended from time to time ~~upon the approval of the Rating Agencies by Controlling Trustees' Resolution~~ (the "Repossession Guidelines") as "Prohibited Countries" and written notification thereof shall be given to each Rating Agency and the Trustee.

Exhibit E to the Indenture contains the Concentration Limits originally in effect, which Concentration Limits have not been amended and will remain in effect as set forth below.

CONCENTRATION LIMITS

<u>Lessee Concentration Limits</u>	<u>Limits of May 5, 1999</u>
Single Lessee rated BBB/Baa2 (or the equivalent) or better	15.0%
Other single Lessees	10.0%
Five largest Lessees (4)	35.0%
 <u>Country Concentration Limits</u>	
Countries rated AAA / Aaa (or the equivalent) or better (1)	25.0%
Countries rated BBB / Baa2 (or the equivalent) or better (1)	20.0%
Other	15.0%
 <u>Region Concentration Limits</u>	

Any Single Developed Market Region (2)	50.0%
Any Single Emerging Market Region (2)	25.0%
Asia Pacific (2)	45.0%
Undesignated (3) (4)	20.0%

(1) Based on the sovereign foreign currency debt rating assigned by the rating agencies to the country in which a Lessee is habitually based at the time the relevant Lease is executed.

(2) The designations of Emerging Markets and Developed Markets are as determined and published by Capital International Perspective S.A. from time to time based on, among other things, gross domestic product levels, regulation of foreign ownership of assets, the regulatory environment, exchange controls and perceived investment risk. Asia/Pacific represents the aggregate of the Aircraft leased to Lessees habitually based in the Asia area of the Emerging Market Region and the Pacific area of the Developed Market Region. The current designations are as set out below:

<u>Region</u>	<u>Country</u>
<u>DEVELOPED MARKETS</u>	
Europe	European Union (except Greece and Luxembourg), Norway and Switzerland
North America	Canada and United States
Pacific	Australia, Hong Kong, Japan, New Zealand and Singapore
<u>EMERGING MARKETS</u>	
Asia	China, India, Indonesia, South Korea, Malaysia, Pakistan, Philippines, Sri Lanka, Taiwan and Thailand
Europe and Middle East	Czech Republic, Greece, Hungary, Israel, Jordan, Poland, Russia and Turkey
Latin America	Argentina, Brazil, Chile, Colombia, Mexico, Peru and Venezuela

UNDESIGNATED

All other countries (generally those that have small or under-developed capital markets, including Iceland, Fiji and Guyana).

(3) In addition, within the “Undesignated” country category, no more than 10% of the Appraised Value of the Portfolio shall be leased to Lessees habitually based in “Undesignated” countries rated below BBB/Baa2 (or the equivalent) and no more than 5% of the Appraised Value of the Portfolio shall be leased to Lessees habitually based in “Undesignated” countries in Africa.

(4) AFT obtained a rating agency confirmation that the rating agencies would not downgrade, qualify or withdraw the ratings of the Notes solely as a result of the breach of this concentration limit as it pertains to certain leases. As of December 31, 2010, such limits for the five largest lessees, lessees habitually based in “Undesignated” countries, lessees habitually based in “Undesignated” countries rated below BBB/Baa2 (or the equivalent) and lessees habitually based in “Undesignated” countries in Africa were 44.3%, 28.4%, 23.0% and 16.7%, respectively.

C. Section 5.03(h) of the Indenture

(h) Insurance. The Issuer shall maintain or cause, directly or indirectly through the Issuer Subsidiaries, to be maintained with reputable and responsible insurers or with insurers that maintain relevant reinsurance with reputable and responsible reinsurers (i) airline hull insurance for each Aircraft in an amount at least equal to the ~~Note Target Price~~ Adjusted Base Value for such Aircraft (or the equivalent thereof from time to time if such insurance is denominated in a currency other than U.S. dollars) and (ii) airline liability insurance for each Aircraft and occurrence in an amount at least equal to the relevant amount set forth on Exhibit F hereto for each model of aircraft and as amended from time to time ~~with the approval of the Rating Agencies by~~ Controlling Trustees' Resolution (and written notice thereof shall be given to each Rating Agency and the Trustee) and (iii) airline repossession insurance ("Repossession Insurance") for each Aircraft subject to a Lease and habitually based in a jurisdiction determined in accordance with clause (b) of the Repossession Guidelines, which may be amended from time to time ~~only with the approval of the Rating Agencies by~~ Controlling Trustees' Resolution (and written notice thereof shall be given to each Rating Agency and the Trustee), in an amount at least equal to the ~~Note Target Price~~ Adjusted Base Value (or the equivalent thereof from time to time if such insurance is denominated in a currency other than U.S. dollars) for such Aircraft; ~~provided further that for a period commencing sixty days after the Initial Closing Date to one year from the Initial Closing Date (any such period may be extended for up to one year if so requested in writing by any Rating Agency), the Issuer shall, upon request from any Rating Agency, obtain Repossession Insurance with respect to Aircraft leased to Lessees habitually based in certain countries other than Developed Markets specified by each such Rating Agency, provided, however,~~ that with respect to any such insurance for any Aircraft subject to a Lease, such insurance may be subject to commercially reasonable deductible and self-insurance arrangements (taking into account, inter alia, the creditworthiness and experience of the Lessee, if any, the type of aircraft and market practices in the aircraft insurance industry generally). The coverage and terms (including endorsements, deductibles and self-insurance arrangements) of any insurance maintained with respect to any Aircraft not subject to a Lease shall be substantially consistent with the commercial practices of leading international aircraft operating lessors regarding similar aircraft.

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

D. Section 1.01 of the Indenture

"Required Expense Amount" means, with respect to each Payment Date, the amount of Expenses of the Issuer Group due and payable on the Calculation Date relating to such Payment Date or reasonably anticipated to become due and payable before the ~~next~~ sixth succeeding Payment Date to the extent such Expenses consist of (a) Primary Expenses and (b) any Modification Payments or Refinancing Expenses in respect of which a Permitted Accrual was previously effected by a deposit in the Expense Account (whether or not any such deposit has been previously used to pay any other Primary Expense but excluding any portion of such deposit previously used to pay any Modification Payments or Refinancing Expenses) in each case after giving effect to any withdrawal from any Lessee Funded Account or any drawing upon a Related Collateral Document that is then available for the payment of any such Expense; provided that if, in the reasonable judgment of the Administrative Agent on any Calculation Date, maintaining all or any portion of the six-month reserve for anticipated Expenses would have a material adverse effect on the ability of the Issuer to make payments of accrued and unpaid interest on the Senior Class then Outstanding on the next Payment Date therefor in

accordance with Section 3.08 hereof, all or a portion of such reserve shall be released and transferred to the Collections Account to the extent necessary to make such payments on the Senior Class.

"Rating Agency Confirmation" means a prior written confirmation from each Rating Agency received by each of the Issuer and the Trustee that a specified action or event shall not result in the downgrade, qualification or withdrawal of such Rating Agency's then current credit rating, if any, of any subclass of Notes then Outstanding; provided that (1) from and after June 30, 2011 and notwithstanding anything to the contrary herein, no Rating Agency Confirmation shall be required hereunder with respect to any action, or failure to take action, by the Issuer, any member of the Issuer Group or otherwise and (2) the Issuer shall give to each Rating Agency written notice of any action, or failure to take action, that would have required a Rating Agency Confirmation if taken, or not taken, prior to June 30, 2011.

E. Section 3.04 of the Indenture

(c) transfer from the Collections Account from time to time (but in no event on less than one Business Day's prior written notice to the Trustee (unless such one Business Day's notice requirement is waived by the Trustee)), other amounts, including amounts constituting the Reserved Cash, ~~from the Collections Account to (1)~~ the Expense Account, in each case only to the extent that such funds are to be applied to Primary Expenses that become due and payable during such Interest Accrual Period and for the payment of which there are insufficient funds in the Expense Account and (2) to pay any upfront hedging costs, premiums or other payments then due and payable with respect to interest caps or similar derivatives to the appropriate payees thereof; provided that no such transfer from the Collections Account in respect of Primary Expenses or payment of hedging costs, premiums or other payments shall be made prior to the next succeeding Payment Date if, in the reasonable judgment of the Administrative Agent, such transfer or payment would have a material adverse effect on the ability of the Issuer to make payments of accrued and unpaid interest on the Senior Class then Outstanding on the next Payment Date therefor in accordance with Section 3.08 hereof;

The Solicitation Agent for the Consent Solicitation is:

Jefferies

c/o Jefferies & Company, Inc.
The Metro Center
One Station Place, Three North
Stamford, CT 06902

Call direct: +1-203-363-8285

Fax: +1-203-724-3545

Attn: Mr. Evan Wallach, Managing Director

Email: ewallach@jefferies.com

Call direct: +1-203-363-8286

Fax: +1-203-724-1924

Attn: Mr. James Palen, Managing Director

Email: jpalen@jefferies.com

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

Global Restructuring Services, Inc.

230 East 48th Street
New York, NY 10017
United States of America

Call direct: +1-212-644-1772

Attn: Mr. John Baxter

Fax: +1-212-937-3653

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

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