

JETBLUE AIRWAYS CORP  
Form 424B2  
March 17, 2004

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*PROSPECTUS SUPPLEMENT (Subject to Completion, dated March 17, 2004)  
(To Prospectus dated March 4, 2004)*

The information in this preliminary prospectus supplement is not complete and may be changed. We may not deliver these securities until a prospectus supplement is delivered in final form. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and we are not soliciting offers to buy these securities in any state where the offer or sale is not permitted.

**\$431,004,000\***

*JETBLUE AIRWAYS CORPORATION  
2004-1 Pass Through Trusts  
PASS THROUGH CERTIFICATES, SERIES 2004-1*

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*This prospectus supplement relates to new pass through certificates to be issued by three separate pass through trusts formed by JetBlue Airways Corporation. Each certificate will represent an interest in a pass through trust. The certificates do not represent interests in or obligations of JetBlue or any of its affiliates.*

*The proceeds from the sale of certificates (less any amount used to finance or refinance aircraft on the issuance date of the certificates) will initially be held in escrow by HSH Nordbank, acting through its New York branch. HSH Nordbank, acting through its New York branch, will pay interest on the escrowed amount so long as they remain on deposit with it. The pass through trusts will use the escrowed funds to acquire equipment notes. The equipment notes will be issued by JetBlue to finance or refinance the acquisition by JetBlue of thirteen (13) Airbus A320-232 aircraft scheduled for delivery from February 2004 to December 2004. Payments on the escrowed deposits and on the equipment notes held in each pass through trust will be passed through to the certificateholders of such trust.*

*Interest on the escrowed deposits and on the equipment notes held in the related pass through trust will be payable on March 15, June 15, September 15 and December 15 of each year, beginning on June 15, 2004. Principal paid on the equipment notes will be payable on March 15, June 15, September 15 and December 15 in scheduled years, beginning on or after March 15, 2005.*

*The Class G-1 and Class G-2 certificates will rank equally in right of distributions. Interest on the Class G-1 and Class G-2 certificates will rank senior in right of distributions to the Class C certificates. Interest on a specified portion of the pool balance of the Class C certificates will rank senior in right of distributions of principal on the Class G-1, Class G-2 and Class C certificates. Principal on the Class G-1 and Class G-2 certificates will rank senior in right of distributions of principal on the Class C certificates.*

*Landesbank Hessen-Thüringen Girozentrale will provide a primary liquidity facility for each of the Class G-1, Class G-2 and Class C certificates. There will also be an above-cap liquidity facility for each of the Class G-1, Class G-2 and Class C certificates. The primary liquidity facilities, together with the above-cap liquidity facility, in the case of the Class G-1 and Class G-2 certificates, are expected to provide an amount sufficient to pay up to six quarterly interest payments on the certificates of the related pass through trust. The primary liquidity facility, together with the above-cap liquidity facility, in the case of the Class C certificates, is expected to provide an amount sufficient to pay up to six quarterly interest payments on a specified portion of the pool balance of the Class C certificates.*

*MBIA Insurance Corporation will issue financial guaranty insurance policies to support the payment of interest on the Class G-1 and Class G-2 certificates when due and the payment of the outstanding balance on the Class G-1 and Class G-2 certificates on the final legal*

*distribution date for such certificates and under certain other circumstances described herein. The policies do not cover amounts payable in respect of the Class C certificates.*

*Investing in the pass through certificates involves risks. See "Risk Factors" beginning on page S-24.*

<i>Pass Through Certificates</i>	<i>Face Amount*</i>	<i>Interest Rate(1)</i>		<i>Final Expected Distribution Date*</i>	<i>Price to Public(2)</i>
2004-1G-1	\$ 119,110,000	USD Three-Month LIBOR plus	%	December 15, 2013	100%
2004-1G-2	\$ 187,890,000	USD Three-Month LIBOR plus	%	March 15, 2014	100%
2004-1C	\$ 124,004,000	USD Three-Month LIBOR plus	%	March 15, 2008	100%

(1) *If a payment default on any Equipment Note exists on any Regular Distribution Date, from such Regular Distribution Date and for each full interest period while such payment default is continuing, for purposes of calculating the interest rates, USD Three-Month LIBOR will not exceed 8%\*.*

(2) *Plus accrued interest, if any, from , 2004.*

*The Securities and Exchange Commission and state securities regulators have not approved or disapproved these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.*

\* *Indicative only and subject to change.*

*The underwriters will purchase all of the certificates if any are purchased. The aggregate proceeds from the sale of the certificates will be \$ . We will pay the underwriters a commission of \$ . The underwriters expect to deliver the pass through certificates to purchasers on March , 2004. The certificates will not be listed on any national securities exchange. SkyWorks Securities, LLC has acted as financial advisor to JetBlue in connection with this offering.*

**MORGAN STANLEY**  
(Sole Bookrunner)

**MERRILL LYNCH & CO.**  
(Co-Lead Manager)

**CITIGROUP**

**CREDIT LYONNAIS SECURITIES**

March , 2004

**PROSPECTUS SUPPLEMENT**

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**You should rely only on the information contained in this prospectus supplement and the accompanying prospectus and the documents incorporated by reference in this prospectus supplement and the prospectus. We have not authorized anyone to provide you with information that is different. If anyone provides you with different or inconsistent information, you should not rely on it. This document may be used only where it is legal to sell these securities. You should not assume that the information in this prospectus supplement and the accompanying prospectus is accurate as of any date other than the date of this prospectus supplement. Also, you should not assume that there has been no change in the affairs of JetBlue since the date of this prospectus supplement.**

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### PRESENTATION OF INFORMATION

These offering materials consist of two documents: (1) this prospectus supplement, which describes the terms of the certificates that we are currently offering, and (2) the accompanying prospectus, which provides general information about our certificates, some of which may not apply to the certificates that we are currently offering. **The information in this prospectus supplement replaces any inconsistent information included in the accompanying prospectus.**

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We have given certain terms specific meanings for purposes of this prospectus supplement. The "Glossary" attached as Appendix I to this prospectus supplement defines each of these terms.

At varying places in this prospectus supplement and the prospectus, we refer you to other sections of the documents for additional information by indicating the caption heading of the other sections. The page on which each principal caption included in this prospectus supplement and the prospectus can be found is listed in the Table of Contents below. All cross references in this prospectus supplement are to captions contained in this prospectus supplement and not in the prospectus, unless otherwise stated.

This prospectus supplement and the accompanying prospectus and the documents incorporated by reference include "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, which represent our management's beliefs and assumptions concerning future events. When used in this prospectus supplement and the accompanying prospectus and the documents incorporated by reference, forward-looking statements include, without limitation, statements regarding financial forecasts or projections, and our expectations and beliefs, intentions or future strategies that are signified by the words "expects," "plans," "anticipates," "intends" and "believes" or similar language. All forward-looking statements are based upon information available to us on the date such statements are made. We undertake no obligation to publicly update or revise any forward-looking statement after the date of this prospectus supplement, whether as a result of new information, future events or otherwise. Forward-looking statements are subject to a number of factors that could cause actual results to differ materially from our expectations. Additional information concerning these and other factors is contained herein and in the accompanying prospectus under the caption "RISK FACTORS."

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### SUMMARY

*The following summary is qualified in its entirety by reference to the more detailed information and consolidated financial statements appearing elsewhere in this prospectus supplement and accompanying prospectus, as well as the materials filed with the Securities and Exchange Commission, or SEC, that are considered to be part of the prospectus. Unless otherwise indicated, "we," "us," "our" and similar terms as well as references to "JetBlue" refer to JetBlue Airways Corporation.*

#### Summary of Terms of Pass Through Certificates\*

	Class G-1 Certificates	Class G-2 Certificates	Class C Certificates
Aggregate Face Amount	\$119,110,000	\$187,890,000	\$124,004,000
Ratings:			
Moody's	Aaa	Aaa	Ba1
Standard & Poor's	AAA	AAA	BB+
Initial Loan to Aircraft Value Ratio (cumulative)(1)	51.3%	51.3%	71.4%
Expected Principal Distribution Window (in years)	1.0-9.7	10.0	1.0-4.0
Initial Average Life (in years)	6.1	10.0	3.0
Regular Distribution Dates	March 15 June 15 September 15 December 15	March 15 June 15 September 15 December 15	March 15 June 15 September 15 December 15
Final Expected Regular Distribution Date(2)	December 15, 2013	March 15, 2014	March 15, 2008
Final Legal Distribution Date(3)	June 15, 2015	September 15, 2015	September 15, 2009
Minimum Denomination	\$1,000	\$1,000	\$1,000
Section 1110 Protection	Yes	Yes	Yes
Liquidity Facility Coverage(4)	6 quarterly interest payments	6 quarterly interest payments	6 quarterly interest payments
Policy Provider Coverage(5)	Yes	Yes	No

\*

The classes and amounts of certificates offered and the terms of such certificates are indicative only and subject to change.

- (1) The initial loan to aircraft value ratios measure the ratio of (a) in the case of the Class G-1 certificates and Class G-2 certificates, the aggregate principal amount of both the Series G-1 Equipment Notes and Series G-2 Equipment Notes relating to all aircraft, and in the case of the Class C certificates, the aggregate principal amount of all Series G-1 Equipment Notes, Series G-2 Equipment Notes and Series C Equipment Notes relating to all aircraft to (b) the aggregate appraised base value of all aircraft (determined based on three appraisals as of March 8, 2004, March 9, 2004, and March 8, 2004). These ratios are calculated as of March 15, 2005 and are calculated assuming that all aircraft have been delivered prior to such date, the maximum principal amount of Equipment Notes is issued and the aggregate appraised base value of all aircraft will be \$595,891,881. The aggregate appraised base value is only an estimate and reflects assumptions that are described in "DESCRIPTION OF THE AIRCRAFT AND THE APPRAISALS."
- (2) Equipment Notes will mature on or before the final expected Regular Distribution Date for the certificates issued by the pass through trusts that own such Equipment Notes.
- (3) The Final Legal Distribution Date for each of the Class G-1 certificates, Class G-2 certificates and Class C certificates is the Final Expected Regular Distribution Date for that class of certificates

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plus eighteen months, which represents the maximum period the Liquidity Providers will service interest payments on such certificates.

- (4) The Primary Liquidity Facility for the Class C certificates together with the Above-Cap Liquidity Facility for the Class C certificates will cover up to six quarterly interest payments on the Preferred C Pool Balance, which may be less than the Pool Balance of the Class C certificates. See "DESCRIPTION OF THE LIQUIDITY FACILITIES Primary Liquidity Facilities Drawings."
- (5) The Policies will support the payment of interest on the Class G-1 certificates and Class G-2 certificates (when due and after taking into account the application of any amounts received by the Escrow Agent in respect of accrued interest on the Class G-1 and Class G-2 deposits and the prior use of any available funds under the Liquidity Facilities, Cash Collateral Accounts or Above-Cap Accounts for the Class G-1 certificates and Class G-2 certificates) and the payment of the outstanding balance of the Class G-1 certificates and Class G-2 certificates on the Final Legal Distribution Date for such class of certificates and in certain other circumstances as described herein.

### Equipment Notes and the Aircraft

Set forth below is certain information about the Equipment Notes expected to be held in the pass through trusts and the aircraft expected to secure such Equipment Notes:

Aircraft Type	Actual/ Expected Registration Number	Actual/ Expected Manufacturer's Serial Number	Month Delivered or Scheduled Delivery Month(1)	Maximum Principal Amount of Equipment Notes(2)	Appraised Value(3)
Airbus A320-232	N586JB	2160	February 2004	\$ 32,587,200	\$ 45,260,000
Airbus A320-232	N587JB	2177	March 2004	32,709,600	45,430,000
Airbus A320-232	N588JB	2201	May 2004	32,908,800	45,706,667
Airbus A320-232	N589JB	2215	June 2004	33,014,400	45,853,333
Airbus A320-232	N590JB	2231	July 2004	33,093,600	45,963,333

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Aircraft Type	Actual/ Expected Registration Number	Actual/ Expected Manufacturer's Serial Number	Month Delivered or Scheduled Delivery Month(1)	Maximum Principal Amount of Equipment Notes(2)	Appraised Value(3)
Airbus A320-232	N591JB	2246	August 2004	33,170,400	46,070,000
Airbus A320-232	N592JB	2259	September 2004	33,244,800	46,173,333
Airbus A320-232	N593JB	2280	October 2004	33,326,400	46,286,667
Airbus A320-232	N594JB	2284	October 2004	33,326,400	46,286,667
Airbus A320-232	N595JB	2286	October 2004	33,326,400	46,286,667
Airbus A320-232	N597JB	2301	November 2004	33,405,600	46,396,667
Airbus A320-232	N598JB	TBD	November 2004	33,405,600	46,396,667
Airbus A320-232	N599JB	TBD	December 2004	33,484,800	46,506,667

- (1) The delivery date for any aircraft may be delayed or accelerated. The delivery deadline for purposes of this offering is March 31, 2005 (or later under certain circumstances). See "DESCRIPTION OF THE AIRCRAFT AND THE APPRAISALS Deliveries of Aircraft." We have the option to substitute other aircraft if the delivery of any aircraft is expected to be delayed for more than 30 days after the month scheduled for delivery or beyond the delivery deadline. See "DESCRIPTION OF THE AIRCRAFT AND THE APPRAISALS Substitute Aircraft."
- (2) The actual principal amount issued for an aircraft may be less depending on the circumstances of the financing of such aircraft. The aggregate principal amount of all of the Equipment Notes of each series will not exceed the aggregate face amount of the certificates of the corresponding class.
- (3) The appraised value of each aircraft provided above is based on the lesser of the average and the median appraised base values (as defined in the appraisal letters) of such aircraft as appraised by three independent appraisal and consulting firms, Aircraft Information Services, Inc.,

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AvSolutions Inc. and Morten Beyer & Agnew, Inc. as of March 8, 2004, March 9, 2004 and March 8, 2004, respectively. The appraisers based the appraisals on varying assumptions and methodologies. An appraisal is only an estimate of value and you should not rely on any appraisal as an estimate of realizable value.

**Loan to Aircraft Value Ratios**

The following table provides loan to aircraft value ratios also referred to as LTV ratios for each class of certificates as of the first Regular Distribution Date that occurs after all aircraft are scheduled to have been delivered and as of each March 15 Regular Distribution Date. The table is not a forecast or prediction of expected or likely LTV ratios but a mathematical calculation based on one set of assumptions.

We compiled the following table on an aggregate basis. However, the Equipment Notes issued under an Indenture are entitled to certain specified cross-collateralization provisions as described under "DESCRIPTION OF THE EQUIPMENT NOTES Security." The relevant LTV ratios in a default situation for the Equipment Notes issued under a particular Indenture would depend on various factors, including the extent to which the debtor or trustee in bankruptcy agrees to perform JetBlue's obligations under the Indentures. Therefore, the following LTV ratios are presented for illustrative purposes only and should not be interpreted as indicating the degree of cross-collateralization available to the holders of the certificates. The holders of each of the Class G-1 and Class G-2 certificates will benefit from cross-subordination of the Series C Equipment Notes issued for each aircraft.

Date	Assumed Aggregate Aircraft	Outstanding Balance(2)	LTV Ratios(3)
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	Value(1)	Outstanding Balance(2)			LTV Ratios(3)		
		Class G-1 Certificates	Class G-2 Certificates	Class C Certificates	Class G-1 Certificates	Class G-2 Certificates	Class C Certificates
March 15, 2005	\$ 595,891,881	\$ 117,712,596	\$ 187,890,000	\$ 120,023,216	51.3%	51.3%	71.4%
March 15, 2006	577,929,295	108,500,501	187,890,000	93,780,721	51.3	51.3	67.5
March 15, 2007	559,966,710	99,288,406	187,890,000	67,538,227	51.3	51.3	63.3
March 15, 2008	542,004,124	88,532,103	187,890,000		51.0	51.0	NA
March 15, 2009	524,041,538	74,130,769	187,890,000		50.0	50.0	NA
March 15, 2010	506,078,953	60,088,687	187,890,000		49.0	49.0	NA
March 15, 2011	488,116,367	46,405,856	187,890,000		48.0	48.0	NA
March 15, 2012	470,153,781	33,082,277	187,890,000		47.0	47.0	NA
March 15, 2013	452,191,196	15,596,038	187,890,000		45.0	45.0	NA
March 15, 2014	434,228,610				NA	NA	NA

- (1) In calculating the assumed aggregate aircraft values above, we assumed that the initial appraised base value of each aircraft declines by approximately 3% of the initial appraised base value each year for the first 15 years after the year of delivery of the aircraft by the manufacturer. Other rates or methods of depreciation may result in materially different LTV ratios. We cannot assure you that the depreciation rate and method assumed for purposes of the table are the ones most likely to occur nor can we predict the actual future value of any aircraft.
- (2) In calculating the outstanding balances, we have assumed that the pass through trusts will acquire the maximum principal amount of Equipment Notes for all the aircraft.
- (3) The LTV ratios for each class of certificates were obtained for each such Regular Distribution Date by dividing (i) the expected outstanding balance of such class together with the expected outstanding balance of all other classes equal or senior in right of payment to such class after giving effect to the distributions expected to be made on such date, by (ii) the assumed aggregate aircraft value of all the aircraft on such date based on the assumptions described above. The outstanding balances and LTV ratios may change if, among other things, the aggregate principal amount of the Equipment Notes acquired by the pass through trusts is less than the maximum permitted under the terms of this offering or the amortization of the Equipment Notes differs from the assumed amortization schedule calculated for purposes of this prospectus supplement.

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**Cash Flow/Structure Chart**

The following diagram illustrates the structure of the offering of the certificates and cash flows.

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- (1) Each aircraft will be subject to a separate indenture with a separate loan trustee. The only cross-default provision in the Indentures is an event of default under each Indenture which occurs if all amounts owing under any Equipment Note issued pursuant to another Indenture has not been paid on or before March 15, 2014.
  - (2) The policies cover regular interest distributions and outstanding principal on the Final Legal Distribution Date or earlier under some circumstances relating to the Class G-1 and Class G-2 certificates but does not cover Break Amount, Prepayment Premium, default interest, withholding taxes or any other amounts payable in respect of the Class G-1 and Class G-2 certificates. The policies do not cover amounts payable in respect of the Class C certificates.
  - (3) The initial amount of the Primary Liquidity Facility for each of the Class G-1, Class G-2 and Class C certificates together with the Above-Cap Liquidity Facilities for each of the Class G-1, Class G-2 and Class C certificates will cover up to six consecutive quarterly interest payments with respect to the certificates of the related pass through trust, except that (i) none of the Liquidity



Facilities will cover interest payable by the Depositary on the deposits relating to such pass through trust and (ii) the Liquidity Facilities for the Class C certificates will only cover interest on the Preferred C Pool Balance, which may be less than the Pool Balance of the Class C certificates. See "DESCRIPTION OF THE LIQUIDITY FACILITIES Primary Liquidity Facilities Drawings."

(4)

The proceeds of the offering of each class of certificates (less any amount used to refinance aircraft on the issuance date of the certificates) will initially be held in escrow and deposited with the Depositary. The Depositary will hold such funds as interest-bearing deposits. Each pass through trust will withdraw funds from the Deposits relating to such pass through trust to purchase Equipment Notes from time to time as each aircraft is financed. The Liquidity Facilities will not cover interest on the Deposits. If any funds remain as Deposits with respect to any pass through trust at the Delivery Period Termination Date, those funds will be withdrawn by the Escrow Agent and distributed to the holders of the certificates issued by that pass through trust, together with accrued and unpaid interest on the certificates and Deposit Break Amount, if applicable, but without any Prepayment Premium. No interest will accrue with respect to the deposits after they have been fully withdrawn.

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#### **Distribution/Subordination Chart**

The priority of distributions under the Intercreditor Agreement is summarized in the chart below.

If the Above-Cap Reserve Account has been funded under any Above-Cap Liquidity Facility, amounts will be applied to replenish such account between priorities (3) and (4) and between priorities (11) and (12) above.

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### The Offering

Pass Through Trusts	JetBlue and Wilmington Trust Company, as pass through trustee, will form three pass through trusts under three separate pass through trust agreements between JetBlue and the Pass Through Trustee.
Certificates Offered	Class G-1 certificates
	Class G-2 certificates

Class C certificates

	Each class of pass through certificates will represent 100% of the fractional undivided interests in the corresponding pass through trust.
Use of Proceeds	The proceeds from the sale of the pass through certificates of each pass through trust will be used by the respective Pass Through Trustee to purchase Equipment Notes issued by JetBlue and to be held by such pass through trust to finance or refinance the acquisition of thirteen (13) new aircraft. The Equipment Notes will be full recourse obligations of JetBlue.
	Prior to disbursement to purchase Equipment Notes, such proceeds will be held by the Depository pursuant to an escrow arrangement for each pass through trust.
	JetBlue will issue the Equipment Notes under a separate Indenture for each aircraft.
Subordination Agent, Pass Through Trustee, Loan Trustee, Paying Agent and Escrow Agent	Wilmington Trust Company.
Policy Provider	MBIA Insurance Corporation.
Primary Liquidity Provider	Landesbank Hessen-Thüringen Girozentrale.
Above-Cap Liquidity Provider	Morgan Stanley Capital Services Inc. ("MSCS"). The obligations of MSCS under the Above-Cap Liquidity Facilities will be fully and unconditionally guaranteed by its parent company, Morgan Stanley (the "Above-Cap Liquidity Guarantor").
Depository	HSH Nordbank AG, acting through its New York Branch.
Trust Property	The property of each pass through trust will include:
	For the Class G-1 pass through trust, the Series G-1 Equipment Notes.
	For the Class G-2 pass through trust, the Series G-2 Equipment Notes.
	For the Class C pass through trust, the Series C Equipment Notes.

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	All rights of the pass through trust under the Intercreditor Agreement described below (including all monies receivable pursuant to such rights).
	All monies receivable under the Primary Liquidity Facility and Above-Cap Liquidity Facility for that pass through trust.
	All rights of the pass through trust to acquire the related series of Equipment Notes under the Note Purchase Agreement.
	All rights of the pass through trust under the Escrow Agreement for that trust to request withdrawal of the escrowed deposits.
	For each of the Class G-1 and Class G-2 pass through trusts, all monies receivable under the related Policy.
	Funds from time to time deposited with the Pass Through Trustee in accounts for the pass through trust.

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Regular Distribution Dates March 15, June 15, September 15 and December 15, commencing on June 15, 2004.

Record Dates The fifteenth day preceding each distribution date.

Distributions The Pass Through Trustee will distribute all payments of principal, Break Amount, if any, Prepayment Premium, if any, and interest received on the Equipment Notes held in each pass through trust and all payments of principal, interest and Deposit Break Amount, if any, received on the Deposits relating to each pass through trust to the holders of the certificates of that pass through trust. Distributions will be subject to the subordination provisions applicable to the certificates.

Subject to the subordination provisions applicable to the certificates, the Pass Through Trustee will distribute scheduled payments of principal and interest made on the Equipment Notes held by each pass through trust on the applicable Regular Distribution Dates. Subject to the subordination provisions applicable to the certificates, the Pass Through Trustee will distribute payments of principal, Break Amount, if any, Prepayment Premium, if any, and interest made on any Equipment Notes resulting from any early redemption of any Equipment Notes on a special distribution date after not less than 15 days' notice to the holders of the certificates.

LIBOR upon Payment Default If a payment default on any Equipment Note exists on any Regular Distribution Date, from such Regular Distribution Date and for each full interest period while such payment default is continuing, for purposes of calculating the interest rates, Three-Month LIBOR will not exceed 8%\*.

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\* Indicative only and subject to change.

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Intercreditor Agreement The Pass Through Trustees, the Primary Liquidity Providers, the Above-Cap Liquidity Providers, the Policy Provider and the Subordination Agent will enter into an intercreditor agreement.

Subordination Under the Intercreditor Agreement, after paying certain amounts ranking senior to the distributions on the certificates, the Subordination Agent will generally make distributions on the certificates in the following order:

first, to pay interest on the Class G-1 and Class G-2 certificates to the holders of the Class G-1 and Class G-2 certificates;

second, to pay interest on the Preferred C Pool Balance of the Class C certificates to the holders of the Class C certificates;

third, to make distributions in respect of the Pool Balance of the Class G-1 and Class G-2 certificates to the holders of the Class G-1 and Class G-2 certificates;

fourth, to pay interest on the Pool Balance of the Class C certificates not previously distributed under clause "second" above to the holders of the Class C certificates; and

fifth, to make distributions in respect of the Pool Balance of the Class C certificates to the holders of the Class C certificates.

Control of Loan Trustee Other than in connection with certain amendments to the financing documents, at any given time, the Loan Trustee will be directed by the Controlling Party. The remedies that may be exercised under each Indenture include accelerating the

relevant Equipment Notes or foreclosing the lien on the aircraft securing such Equipment Notes.

The Controlling Party will be:

the Policy Provider, or (i) if a Policy Provider Default has occurred and is continuing or (ii) if the Policy Provider has been released from its obligations under the Policies (and such Policies have been returned to the Policy Provider) and all obligations owing the Policy Provider have been paid in full, prior to payment of Final Distributions to the holders of the Class G-1 and Class G-2 certificates, the Class G-1 and Class G-2 pass through trustee jointly, acting upon the instructions of the holders of a majority of the aggregate fractional undivided interests in both the Class G-1 and Class G-2 pass through trusts, voting as one class;

upon payment of (i) Final Distributions to the holders of Class G-1 and Class G-2 certificates and (ii) unless a Policy Provider Default has occurred and is continuing, all obligations owing to the Policy Provider, the Class C pass through trustee;

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under certain circumstances, and notwithstanding the foregoing, the Primary Liquidity Provider with the largest amount owed to it, unless the Policy Provider pays to the Primary Liquidity Providers all outstanding drawings and interest thereon owing to the Primary Liquidity Providers under the Primary Liquidity Facilities and continues to pay to the Primary Liquidity Provider for the Class G-1 and Class G-2 Trusts all subsequent drawings and interest thereon made under the Primary Liquidity Facilities for the Class G-1 and Class G-2 Trusts, in which case, the Policy Provider (so long as no Policy Provider Default has occurred and is continuing); and

subject to certain conditions, notwithstanding the foregoing, if one or more holders of the Class C certificates have purchased the Series G-1 and Series G-2 Equipment Notes issued under an Indenture, solely with respect to such Indenture, the holders of the majority in aggregate unpaid principal amount of such Series G-1 and Series G-2 Equipment Notes.

Limitation on Sale of Aircraft or Equipment Notes

In exercising remedies, during the period commencing upon the occurrence of an event of default under any Indenture to the date occurring nine months after the earlier of: (1) the acceleration of the Equipment Notes issued under such Indenture or (2) the occurrence of a JetBlue Bankruptcy Event, without the consent of each Trustee, the Controlling Party may not sell such Equipment Notes or the aircraft subject to the lien of that Indenture if the net proceeds from such sale would be less than the lesser of (x) in the case of such aircraft, 75%, or in the case of such Equipment Notes, 80%, of the Appraised Current Market Value of such aircraft and (y) the aggregate outstanding principal amount of such Equipment Notes, plus accrued and unpaid interest thereon.

Limitation on Lease of Aircraft

In exercising remedies, during the period commencing upon the occurrence of an event of default under any Indenture to the date occurring nine months after the earlier of: (1) the acceleration of the Equipment Notes issued under such Indenture or (2) the occurrence of a JetBlue Bankruptcy Event, the Controlling Party may not lease the aircraft subject to the lien of that Indenture unless either (x) the rent payments under such lease are at least equal to the scheduled payments of principal and interest on the Equipment Notes issued under such Indenture that become due during the term of such lease or (y) the term of such lease (including any renewal option exercisable by the lessee) does not exceed one year.

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## Rights to Buy Other Classes of Certificates

If JetBlue is in bankruptcy or other specified events have occurred, the Class C certificateholders and the Policy Provider may have the right to buy certain classes of certificates on the basis described below. In each case, the purchaser must purchase all, but not less than all, of such class or classes of certificates. The purchase price in each case will be the outstanding balance of the class of certificates being purchased, plus accrued and undistributed interest, Break Amount, if any, and any other amounts due to the holders of such certificates, but without any Prepayment Premium.

The Class C certificateholders will have the right to purchase all of the Class G-1 and Class G-2 certificates.

Whether or not any Class C certificateholder has purchased or elected to purchase the Class G-1 and Class G-2 certificates, the Policy Provider will have the right to purchase all, but not less than all, of the Class G-1 and Class G-2 certificates; provided, that if any Class C certificateholder has previously exercised the right to purchase all of the Class G-1 and Class G-2 certificates, such holder may refuse to sell the Class G-1 and Class G-2 certificates to the Policy Provider if all of the holders of the Class G-1 and Class G-2 certificates release the Policy Provider from all of its obligations under the Policies with respect to such Class G-1 and Class G-2 certificates (and return or cause the return of such Policies to the Policy Provider); provided, further, that such Class C certificateholders may not refuse such sale so long as (x) all amounts distributable to the Policy Provider under the Intercreditor Agreement have not been paid in full and (y) sixteen months have passed from the occurrence of the initial Triggering Event.

## Rights to Buy Equipment Notes

If an event of default under an Indenture has occurred and is continuing, during (A) the period commencing upon the occurrence of such event of default and ending on the date occurring six months after the earlier of (x) the acceleration of the Equipment Notes under such Indenture or (y) the occurrence of a JetBlue Bankruptcy Event and (B) any time after such event of default has occurred and has been continuing for five years without a disposition of the Equipment Notes issued under such Indenture or the aircraft subject to such Indenture, one or more Class C certificateholders will have the right to purchase all of the Series G-1 and Series G-2 Equipment Notes issued under such Indenture (a "Class C Buy-Out"). Upon exercising such buy-out right, the holders of a majority of the principal amount of such Series G-1 and Series G-2 Equipment Notes will become the Controlling Party in respect of such Indenture and the related aircraft.

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## Liquidity Facilities

Under the Primary Liquidity Facility for each of the Class G-1 and Class G-2 pass through trusts, the Primary Liquidity Provider will, if necessary, make advances in an aggregate amount that, together with the Above-Cap Liquidity Facility for such pass through trust, is expected to be sufficient to pay an amount equal to the interest on the certificates of the related pass through trust on up to six successive quarterly Regular Distribution Dates at the interest rate for the Equipment Notes held in such pass through trust.

Under the Primary Liquidity Facility for the Class C pass through trust, the Primary Liquidity Provider will, if necessary, make advances in an aggregate amount that, together with the Above-Cap Liquidity Facility for the Class C pass through trust, is

expected to be sufficient to pay an amount equal to the interest on the Preferred C Pool Balance on up to six successive quarterly Regular Distribution Dates at the interest rate for the Equipment Notes held in the Class C pass through trust.

The Primary Liquidity Facilities and the Above-Cap Liquidity Facilities cannot be used to pay any other amount in respect of the certificates and will not cover interest on amounts held in escrow deposits with the Depositary.

Despite the subordination provisions applicable to the certificates, the holders of the certificates issued by each pass through trust will be entitled to receive and retain the proceeds of drawings under the Liquidity Facilities for that pass through trust.

Upon each drawing under any Primary Liquidity Facility to pay interest and in certain other circumstances, the Subordination Agent must reimburse the applicable Primary Liquidity Provider for the amount of that drawing, together with interest on the drawing. This reimbursement obligation and all interest, fees and other amounts owing to the Primary Liquidity Provider under each Primary Liquidity Facility will rank senior to all of the certificates in right of payment.

#### Policy Coverage

Under the policy for each of the Class G-1 and Class G-2 pass through trusts, the Policy Provider will unconditionally and irrevocably honor drawings to cover:

Any shortfall (after the application of available funds, including funds available to the Escrow Agent in respect of accrued interest on the Class G-1 or Class G-2 deposits, as applicable, drawings under the Class G-1 or Class G-2 Primary Liquidity Facilities, as applicable, withdrawals from the Class G-1 or Class G-2 Above-Cap Accounts, and withdrawals from the Class G-1 or Class G-2 Cash Collateral Accounts, as applicable (collectively, "Prior Funds")) on any Regular Distribution Date in interest on the Class G-1 or Class G-2 certificates, as applicable, and any shortfall (after giving effect to the application of Prior Funds) on the Final Legal Distribution Date in the final distribution (other than any unpaid Break Amount) on the Class G-1 or Class G-2 certificates, as applicable).

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Further, upon a default in the payment of principal on a Series G-1 or Series G-2 Equipment Note, as applicable, or if a Series G-1 or Series G-2 Equipment Note, as applicable, is accelerated (each, a "Defaulted Series G Equipment Note") then,

on the first Business Day which is 21 months after the last Regular Distribution Date on which full payment was made on that Defaulted Series G Equipment Note prior to such default or acceleration, the Policy Provider will pay the outstanding amount of principal and accrued and unpaid interest on that Defaulted Series G Equipment Note; or

if a Defaulted Series G Equipment Note or any underlying collateral is disposed of in connection with the exercise of remedies, not including the exercise by any Class C certificateholder of the Class C Buy-Out (a "Disposition"), the Policy Provider will pay, after giving effect to the application of Disposition proceeds and (if such Disposition occurs prior to the end of the 21-month period referred to above) any Prior Funds, the amount, if any, required to reduce the Pool Balance of the related Class G-1 or Class G-2 certificates by an amount equal to the outstanding principal amount of such Defaulted Series G Equipment Note (less the amount of any Policy Drawings previously paid by the Policy Provider in respect of principal on such Defaulted Series G Equipment Note) plus accrued and unpaid interest on the amount of such reduction.

Assuming there is no Disposition or Class C Buy-Out, instead of paying the full amount of principal and accrued and unpaid interest on a Defaulted Series G Equipment Note at the end of the 21-month period referred to above, the Policy Provider may elect, after giving five days' prior written notice to the Subordination Agent, instead to pay

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an amount equal to the scheduled principal and interest payable but not paid on the Defaulted Series G Equipment Note (without regard to the acceleration thereof) during the 21-month period (after giving effect to the application of funds received from the related Primary Liquidity Facility, the related Cash Collateral Account or the related Above-Cap Account in each case with respect to such interest) and

thereafter, on each Regular Distribution Date, an amount equal to the scheduled principal and interest otherwise payable on the Defaulted Series G Equipment Note (without regard to any acceleration thereof) and without regard to any funds available under the related Primary Liquidity Facility, the related Cash Collateral Account or related Above-Cap Account, until paid in full.

Notwithstanding an election by the Policy Provider to pay scheduled payments instead of accelerated payments as discussed above, the Policy Provider may, on any Business Day (which shall be a Special Distribution Date) elected by the Policy Provider upon 20 days' notice, cause the Subordination Agent to make a drawing under the applicable Policy for an amount equal to the then outstanding principal balance of and accrued and unpaid interest on the Defaulted Series G Equipment Note from the immediately preceding Regular Distribution Date, less any Policy Drawings previously paid by the Policy Provider in respect of principal on such Equipment Note. Further, notwithstanding an election by the Policy Provider to pay scheduled payments instead of accelerated payments as discussed above, upon the occurrence of a Policy Provider Default, the Subordination Agent shall, on any Business Day elected by the Subordination Agent upon 20 days' notice to the Policy Provider, make a drawing under the related Policy for an amount equal to the then outstanding principal balance of and accrued and unpaid interest on the Defaulted Series G Equipment Note from the immediately preceding Regular Distribution Date, less any Policy Drawings previously paid by the Policy Provider in respect of principal on such Equipment Note.

At the end of the 21-month period referred to above, the Policy for the related pass through trust will, if not already endorsed to so provide, be endorsed to provide for the payment to the Primary Liquidity Provider with respect to the Class G-1 certificates or, as applicable, the Class G-2 certificates, of interest accruing on outstanding drawings under the related Primary Liquidity Facility from and after the end of such 21-month period as and when such interest becomes due in accordance with such Liquidity Facility.

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Accrued and unpaid interest payable by the Policy Provider on account of the Defaulted Series G Equipment Notes will be calculated at the Stated Interest Rate applicable to the Class G-1 and Class G-2 certificates.



The Policies will cover only the Class G-1 and Class G-2 certificates and Escrow Receipts attached to such certificates, and the proceeds of any Policy Drawing will be applied only to the outstanding balance of, and interest on, the Class G-1 and Class G-2 certificates and interest on the deposits related to the Escrow Receipts. The reimbursement of drawings under the Policies ranks junior to further distributions on the Class G-1 and Class G-2 certificates but, except for certain limited amounts, senior to distributions of the outstanding balance of the Class C certificates.

Escrowed Funds

Funds paid to the Escrow Agent will be placed in escrow for the certificateholders of the related pass through trusts and will be deposited with the applicable Depository and held as deposits pursuant to separate deposit agreements for the pass through trusts. The rights of the certificateholders of the related pass through trusts to such escrowed amounts will be evidenced by Escrow Receipts issued to each certificateholder. Funds may be withdrawn by the Escrow Agent at the direction of the applicable Pass Through Trustee from time to time to purchase Equipment Notes prior to the Delivery Period Termination Date. On each Regular Distribution Date, each Depository will pay to the Paying Agent interest accrued on the deposits relating to the applicable pass through trust at a rate per annum equal to the interest rate applicable to the pass through certificates issued by such pass through trust. The Paying Agent, on behalf of the Escrow Agent, will pay such interest to the applicable holders of the Escrow Receipts. The deposits relating to a pass through trust and interest paid thereon will not be subject to the subordination provisions applicable to the certificates. The deposits cannot be used to pay any other amount in respect of the certificates.

Unused Escrowed Funds

Less than all of the deposits held in escrow may be used to purchase Equipment Notes by the Delivery Period Termination Date. This may occur because of delays in the delivery of certain aircraft or other reasons. If any funds remain as deposits with respect to any pass through trust after the Delivery Period Termination Date or, if earlier, the day after the Escrow Agent receives notice that the Pass Through Trustee for such pass through trust obligation to purchase Equipment Notes has terminated, they will be withdrawn by the Escrow Agent for such pass through trust and distributed, with accrued and unpaid interest, to the holders of Escrow Receipts relating to the respective pass through trust after at least 15 days' prior written notice.

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Each distribution described above will include a Deposit Break Amount, if any, if such distribution occurs on a day other than a Regular Distribution Date.

Obligation to Purchase Equipment Notes

The applicable Pass Through Trustees will be obligated to purchase the corresponding series of Equipment Notes issued with respect to an aircraft pursuant to a note purchase agreement (the "Note Purchase Agreement"). JetBlue will enter into a secured debt financing with respect to each aircraft pursuant to the forms of financing agreements attached to the Note Purchase Agreement.

Equipment Notes

(a) Issuer

JetBlue will issue Series G-1, Series G-2 and Series C Equipment Notes, which will be acquired, respectively, by the Class G-1, Class G-2 and Class C pass through trusts.

(b) Interest

The Equipment Notes held in each pass through trust will accrue interest at the respective Stated Interest Rate. Interest on the Equipment Notes will be payable on March 15, June 15, September 15 and December 15 of each year, commencing on June 15, 2004. Interest on the Equipment Notes will be calculated on the basis of a

360-day year and actual number of days elapsed.

If a payment default on any Equipment Note exists on any Regular Distribution Date, from such Regular Distribution Date and for each full interest period while such payment default is continuing, for purposes of calculating the interest rates, Three-Month LIBOR will not exceed 8%\*.

(c) Principal

*Amortizing Notes.* Principal payments on the Series G-1 and Series C Equipment Notes are scheduled to be received in specified amounts on March 15, June 15, September 15 and December 15 in specified years, commencing on March 15, 2005.

*Bullet Maturity Notes.* The entire principal amount of the Series G-2 Equipment Notes is scheduled to be paid on March 15, 2014.

(d) Redemption

*Aircraft Event of Loss.* If an Event of Loss occurs with respect to an aircraft, we will redeem all of the Equipment Notes issued for such aircraft under the related Indenture, unless we replace such aircraft. The redemption price will

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\* Indicative only and subject to change.